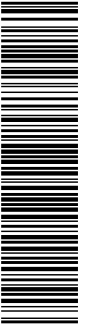


An act to amend Sections 305, 2558, 2574, 2575, 8220.1, 8265, 8357, 8483.7, 8483.76, 14041, 14501, 17078.54, 33127, 41020, 41024, 41203.1, 41326, 41344.1, 41376.1, 41544, 42122, 42238, 42238.02, 42238.05, 42238.1, 42238.2, 42238.5, 42285, 46380, 47614.5, 47633, 47635, 47663, 48310, 48359.5, 48900, 52060, 52062, 52064, 52064.5, 52066, 52068, 52071.5, 52072, 52072.5, 52074, 56122, 56140, 56194, 56195.3, 56195.9, 56205, 56836.02, 56836.08, 56836.11, 56836.23, 56836.31, 56836.165, 60604.5, 60810, 88821, 88822, 88823, 88825, and 88826 of, to amend the headings of Article 15.4 (commencing with Section 8347) of Chapter 2 of Part 6 of Division 1 of Title 1 and Article 4.5 (commencing with Section 52060) of Chapter 6.1 of Part 28 of Division 4 of Title 2 of, to add Sections 2575.2, 41339.2, 52059.5, 52073, 52073.1, 52073.2, 56205.5, 56836.24, 56836.25, 88827, 88828, 88829, 88830, 88831, 88832, and 88833 to, to add Article 23.5 (commencing with Section 8492) to Chapter 2 of Part 6 of Division 1 of Title 1 of, to repeal Sections 49430.5, 52051.5, 52052.1, 52052.3, 52052.5, 52052.6, 52052.9, 53203, and 60601 of, to repeal Article 4.2 (commencing with Section 52059) of Chapter 6.1 of Part 28 of Division 4 of Title 2, and to repeal and add Sections 52052 and 52071 of, the Education Code, and to amend Sections 7906 and 7907 of, and to add Section 17581.97 to, the Government Code, relating to education finance, and making an appropriation therefor, to take effect immediately, bill related to the budget.



THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 305 of the Education Code is amended to read:

305. (a) (1) As part of the parent and community engagement process required for the development of a local control and accountability plan pursuant to Article 4.5 (commencing with Section ~~52060~~ 52059.5) of Chapter 6.1 of Part 28 of Division 4 of Title 2, school districts and county offices of education shall solicit input on, and shall provide to pupils, effective and appropriate instructional methods, including, but not limited to, establishing language acquisition programs, as defined in Section 306. This requirement is intended to ensure that all pupils, including English learners and native speakers of English, have access to the core academic content standards, including the English language development standards, as applicable, and become proficient in English pursuant to the state priorities identified in paragraph (2) of subdivision (d) of Section 52060 and of Section 52066.

(2) School districts and county offices of education shall, at a minimum, provide English learners with a structured English immersion program, as specified in Section 306, for purposes of ensuring that English learners have access to the core academic content standards, including the English language development standards, and become proficient in English pursuant to the state priorities identified in paragraph (2) of subdivision (d) of Section 52060 and of Section 52066.

(b) When a school district or a county office of education establishes a language acquisition program pursuant to this section, the school district or county office of education shall consult with the proper school personnel, including, but not limited to, administrators and certificated teachers with the appropriate authorizations and experience.

(c) School districts and county offices of education are also encouraged to provide opportunities to pupils who are native speakers of English to be instructed in another language to a degree sufficient to produce proficiency in that language. The non-English language should be at the discretion of the parents, community, and school, depending upon the linguistic and financial resources of the school community and other local considerations.

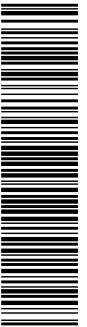
(d) A language acquisition program established pursuant to this section shall comply with the requirements of Section 310.

SEC. 2. Section 2558 of the Education Code is amended to read:

2558. Notwithstanding any other law, for the 1979–80 fiscal year and each fiscal year thereafter, the Superintendent shall apportion state aid to county superintendents of schools pursuant to this section.

(a) The Superintendent shall total the amounts computed for the fiscal year pursuant to Sections 2550, 2551.3, 2554, 2555, and 2557 and Section 2551, as that section read on January 1, 1999. For the 1979–80 fiscal year and for purposes of calculating the 1979–80 fiscal year base amounts in succeeding fiscal years, the amounts in Sections 2550, 2551, 2552, 2554, 2555, and 2557, as they read in the 1979–80 fiscal year, shall be multiplied by a factor of 0.994. For the 1981–82 fiscal year and for purposes of calculating the 1981–82 fiscal year base amounts in succeeding fiscal years, the amount in this subdivision shall be multiplied by a factor of 0.97.

(b) For the 1995–96 fiscal year and each fiscal year thereafter, the county superintendent of schools shall adjust the total revenue limit computed pursuant to this



section by the amount of increased or decreased employer contributions to the Public Employees' Retirement System resulting from the enactment of Chapter 330 of the Statutes of 1982, adjusted for any changes in those contributions resulting from subsequent changes in employer contribution rates, excluding rate changes due to the direct transfer of the state-mandated portion of the employer contributions to the Public Employees' Retirement System through the current fiscal year. The adjustment shall be calculated for each county superintendent of schools as follows:

(1) Determine the amount of employer contributions that would have been made in the current fiscal year if the applicable Public Employees' Retirement System employee contribution rate in effect immediately before the enactment of Chapter 330 of the Statutes of 1982 were in effect during the current fiscal year.

(2) Determine the actual amount of employer contributions made to the Public Employees' Retirement System in the current fiscal year.

(3) If the amount determined in paragraph (1) is greater than the amount determined in paragraph (2), the total revenue limit computed pursuant to this part for that county superintendent of schools shall be decreased by the amount of the difference between those paragraphs; or if the amount determined in paragraph (1) is less than the amount determined in paragraph (2), the total revenue limit for that county superintendent of schools shall be increased by the amount of the difference between those paragraphs.

(4) For purposes of this subdivision, employer contributions to the Public Employees' Retirement System for either of the following positions shall be excluded from the calculation specified above:

(A) Positions or portions of positions supported by federal funds that are subject to supplanting restrictions.

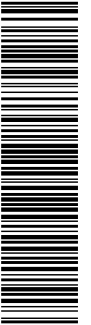
(B) Positions supported, to the extent of employers' contributions not exceeding twenty-five thousand dollars (\$25,000) by any single educational agency, from a non-General Fund revenue source determined to be properly excludable from this subdivision by the Superintendent with the approval of the Director of Finance. Commencing in the 2002–03 fiscal year, only positions supported from a non-General Fund revenue source determined to be properly excludable as identified for a particular local educational agency or pursuant to a blanket waiver by the Superintendent and the Director of Finance, before the 2002–03 fiscal year, may be excluded pursuant to this paragraph.

(5) For accounting purposes, any reduction to county office of education revenue limits made by this subdivision may be reflected as an expenditure from appropriate sources of revenue as directed by the Superintendent.

(6) The amount of the increase or decrease to the revenue limits of county superintendents of schools made by this subdivision for the 1995–96 to 2001–02 fiscal years, inclusive, may not be adjusted by the deficit factor applied to the revenue limit of each county superintendent of schools pursuant to Section 2558.45.

(7) For the 2003–04 fiscal year and any fiscal year thereafter, the revenue limit reduction specified in Section 2558.46 may not be applied to the amount of the increase or decrease to the revenue limits of each county superintendent of schools computed pursuant to paragraph (3).

(c) The Superintendent shall also subtract from the amount determined in subdivision (a) the sum of all of the following:



(1) Local property tax revenues received pursuant to Section 2573 in the then current fiscal year, and tax revenues received pursuant to Section 2556 in the then current fiscal year.

(2) State and federal categorical aid for the fiscal year.

(3) District contributions pursuant to Section 52321 for the fiscal year, and other applicable local contributions and revenues.

(4) Any amounts that the county superintendent of schools was required to maintain as restricted and not available for expenditure in the 1978–79 fiscal year as specified in the second paragraph of subdivision (c) of Section 6 of Chapter 292 of the Statutes of 1978, as amended by Chapter 51 of the Statutes of 1979.

(5) The amount received pursuant to subparagraph (C) of paragraph (3) of subdivision (a) of Section 33607.5 of the Health and Safety Code that is considered property taxes pursuant to that section.

(6) The amount, if any, received pursuant to Sections 34177, 34179.5, 34179.6, and 34188 of the Health and Safety Code.

(7) The amount, if any, received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.

(d) The remainder computed in subdivision (c) shall be distributed in the same manner as state aid to school districts from funds appropriated to Section A of the State School Fund.

(e) If the remainder determined pursuant to subdivision (c) is a negative amount, no state aid shall be distributed to that county superintendent of schools pursuant to subdivision (d), and an amount of funds of that county superintendent of schools equal to that negative amount shall be deemed restricted and not available for expenditure during the current fiscal year. In the next fiscal year, that amount shall be considered local property tax revenue for purposes of the operation of paragraph (1) of subdivision (c).

(f) The calculations set forth in paragraphs (1) to (3), inclusive, of subdivision (b) exclude employer contributions for employees of charter schools funded pursuant to Article 2 (commencing with Section 47633) of Chapter 6 of Part 26.8 of Division 4 of Title 2.

(g) Commencing with the 2013–14 fiscal year, this section shall be used only for purposes of allocating revenues received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.

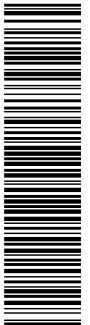
(h) This section shall become inoperative on July 1, ~~2021~~, ~~2033~~, and, as of January 1, ~~2022~~, ~~2034~~, is repealed, unless a later enacted statute, that becomes operative on or before January 1, ~~2022~~, ~~2034~~, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 3. Section 2574 of the Education Code is amended to read:

2574. For the 2013–14 fiscal year and for each fiscal year thereafter, the Superintendent annually shall calculate a county local control funding formula for each county superintendent of schools as follows:

(a) Compute a county office of education operations grant equal to the sum of each of the following amounts:

(1) Six hundred fifty-five thousand nine hundred twenty dollars (\$655,920).



(2) One hundred nine thousand three hundred twenty dollars (\$109,320) multiplied by the number of school districts for which the county superintendent of schools has jurisdiction pursuant to Section 1253.

(3) (A) Seventy dollars (\$70) multiplied by the number of units of countywide average daily attendance, up to a maximum of 30,000 units.

(B) Sixty dollars (\$60) multiplied by the number of units of countywide average daily attendance for the portion of countywide average daily attendance, if any, above 30,000 units, up to a maximum of 60,000 units.

(C) Fifty dollars (\$50) multiplied by the number of units of countywide average daily attendance for the portion of countywide average daily attendance, if any, above 60,000, up to a maximum of 140,000 units.

(D) Forty dollars (\$40) multiplied by the number of units of countywide average daily attendance for the portion of countywide average daily attendance, if any, above 140,000 units.

(E) For purposes of this section, countywide average daily attendance means the aggregate number of annual units of average daily attendance within the county attributable to all school districts for which the county superintendent of schools has jurisdiction pursuant to Section 1253, charter schools authorized by school districts for which the county superintendent of schools has jurisdiction, and charter schools authorized by the county superintendent of schools.

(4) For the 2014–15 fiscal year and each fiscal year thereafter, adjust each of the rates provided in the prior year pursuant to paragraphs (1), (2), and (3) by the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.

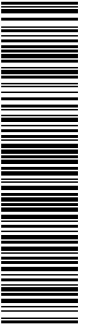
(b) Determine the enrollment percentage of unduplicated pupils pursuant to the following:

(1) (A) For the 2013–14 fiscal year, divide the enrollment of unduplicated pupils in all schools operated by a county superintendent of schools in the 2013–14 fiscal year by the total enrollment in those schools in the 2013–14 fiscal year.

(B) For the 2014–15 fiscal year, divide the sum of the enrollment of unduplicated pupils in all schools operated by a county superintendent of schools in the 2013–14 and 2014–15 fiscal years by the sum of the total enrollment in those schools in the 2013–14 and 2014–15 fiscal years.

(C) For the 2015–16 fiscal year and each fiscal year thereafter, divide the sum of the enrollment of unduplicated pupils in all schools operated by a county superintendent of schools in the current fiscal year and the two prior fiscal years by the sum of the total enrollment in those schools in the current fiscal year and the two prior fiscal years.

(D) (i) For purposes of the quotients determined pursuant to subparagraphs (B) and (C), the Superintendent shall use a county superintendent of schools' enrollment



of unduplicated pupils and total pupil enrollment in the 2014–15 fiscal year instead of the enrollment of unduplicated pupils and total pupil enrollment in the 2013–14 fiscal year if doing so would yield an overall greater percentage of unduplicated pupils.

(ii) It is the intent of the Legislature to review each county office of education's enrollment of unduplicated pupils for the 2013–14 and 2014–15 fiscal years and provide one-time funding, if necessary, for a county office of education with higher enrollment of unduplicated pupils in the 2014–15 fiscal year as compared to the 2013–14 fiscal year.

(E) For purposes of determining the enrollment percentage of unduplicated pupils pursuant to this subdivision, enrollment in schools or classes established pursuant to Article 2.5 (commencing with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title 2 and the enrollment of pupils other than the pupils identified in clauses (i) to (iii), inclusive, of subparagraph (A) of paragraph (4) of subdivision (c), shall be excluded from the calculation of the enrollment percentage of unduplicated pupils.

(F) The data used to determine the percentage of unduplicated pupils shall be final once that data is no longer used in the current fiscal year calculation of the percentage of unduplicated pupils. This subparagraph does not apply to a change that is the result of an audit that has been appealed pursuant to Section 41344.

(2) For purposes of this section, an “unduplicated pupil” is a pupil who is classified as an English learner, eligible for a free or reduced-price meal, or a foster youth. For purposes of this section, the definitions in Section 42238.01 of an English learner, a pupil eligible for a free or reduced-price meal, and foster youth shall apply. A pupil shall be counted only once for purposes of this section if any of the following apply:

(A) The pupil is classified as an English learner and is eligible for a free or reduced-price meal.

(B) The pupil is classified as an English learner and is a foster youth.

(C) The pupil is eligible for a free or reduced-price meal and is classified as a foster youth.

(D) The pupil is classified as an English learner, is eligible for a free or reduced-price meal, and is a foster youth.

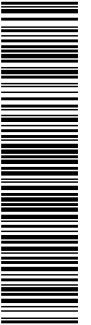
(3) (A) Under procedures and timeframes established by the Superintendent, commencing with the 2013–14 fiscal year, a county superintendent of schools annually shall report the enrollment of unduplicated pupils, pupils classified as English learners, pupils eligible for free and reduced-price meals, and foster youth in schools operated by the county superintendent of schools to the Superintendent using the California Longitudinal Pupil Achievement Data System.

(B) The Superintendent shall make the calculations pursuant to this section using the data submitted through the California Longitudinal Pupil Achievement Data System.

(C) The Controller shall include instructions, as appropriate, in the audit guide required by subdivision (a) of Section 14502.1, for determining if the data reported by a county superintendent of schools using the California Longitudinal Pupil Achievement Data System is consistent with pupil data records maintained by the county office of education.

(c) Compute an alternative education grant equal to the sum of the following:

(1) (A) For the 2013–14 fiscal year, a base grant equal to the 2012–13 per pupil undecificated statewide average juvenile court school base revenue limit calculated



pursuant to Article 3 (commencing with Section 2550) of Chapter 12, as that article read on January 1, 2013. For purposes of this subparagraph, the 2012–13 statewide average juvenile court school base revenue limit shall be considered final as of the annual apportionment for the 2012–13 fiscal year, as calculated for purposes of the certification required on or before February 20, 2014, pursuant to Sections 41332 and 41339.

(B) Commencing with the 2013–14 fiscal year, the per pupil base grant shall be adjusted by the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.

(2) A supplemental grant equal to 35 percent of the base grant described in paragraph (1) multiplied by the enrollment percentage calculated in subdivision (b). The supplemental grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.

(3) (A) A concentration grant equal to 35 percent of the base grant described in paragraph (1) multiplied by the greater of either of the following:

- (i) The enrollment percentage calculated in subdivision (b) less 50 percent.
- (ii) Zero.

(B) The concentration grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.

(4) (A) Multiply the sum of paragraphs (1), (2), and (3) by the total number of units of average daily attendance for pupils attending schools operated by a county office of education, excluding units of average daily attendance for pupils attending schools or classes established pursuant to Article 2.5 (commencing with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title 2, who are enrolled pursuant to any of the following:

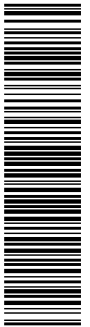
(i) Probation-referred pursuant to Sections 300, 601, 602, and 654 of the Welfare and Institutions Code.

(ii) On probation or parole and not in attendance in a school.

(iii) Expelled for any of the reasons specified in subdivision (a) or (c) of Section 48915.

(B) Multiply the number of units of average daily attendance for pupils attending schools or classes established pursuant to Article 2.5 (commencing with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title 2 by the sum of the base grant calculated pursuant to paragraph (1), a supplemental grant equal to 35 percent of the base grant calculated pursuant to paragraph (1), and a concentration grant equal to 17.5 percent of the base grant calculated pursuant to paragraph (1). Funds provided for the supplemental and concentration grants pursuant to this calculation shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.

(C) Add the amounts calculated in subparagraphs (A) and (B).



(d) Add the amount calculated in subdivision (a) to the amount calculated in subparagraph (C) of paragraph (4) of subdivision (c).

(e) Add all of the following to the amount calculated in subdivision (d):

(1) The amount of funding a county superintendent of schools received for the 2012–13 fiscal year from funds allocated pursuant to the Targeted Instructional Improvement Block Grant program, as set forth in Article 6 (commencing with Section 41540) of Chapter 3.2 of Part 24 of Division 3 of Title 2, as that article read on January 1, 2013.

(2) (A) (i) The amount of funding a county superintendent of schools received for the 2012–13 fiscal year from funds allocated pursuant to the Home-to-School Transportation program, as set forth in former Article 2 (commencing with Section 39820) of Chapter 1 of Part 23.5 of Division 3 of Title 2, former Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 of Division 3 of Title 2, and the Small School District Transportation program, as set forth in former Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of Division 3 of Title 2, as those articles read on January 1, 2013.

(ii) If a home-to-school transportation joint powers agency, established pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing pupil transportation, received an apportionment directly from the Superintendent pursuant to Item 6110-111-0001 of Section 2.00 of the Budget Act of 2012, as identified in clause (i) of subparagraph (A) of paragraph (2) of subdivision (a) of Section 2575, the joint powers agency may identify the member local educational agencies and transfer entitlement to that funding to any of those member local educational agencies by reporting to the Superintendent, on or before September 30, 2015, the reassignment of a specified amount of the joint powers agency's 2012–13 fiscal year entitlement to the member local educational agency. Commencing with the 2015–16 fiscal year, the Superintendent shall add the reassigned amounts to the amounts calculated pursuant to this paragraph.

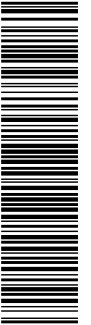
(B) On or before March 1, 2014, the Legislative Analyst's Office shall submit recommendations to the fiscal committees of both houses of the Legislature regarding revisions to the methods of funding pupil transportation that address historical funding inequities across county offices of education and school districts and improve incentives for local educational agencies to provide efficient and effective pupil transportation services.

~~(3) The difference determined by subtracting the amount calculated pursuant to paragraph (1) of subdivision (e) for pupils attending a school that is eligible for funding pursuant to paragraph (2) of subdivision (b) of Section 42285 from the amount of funding that is provided to eligible schools pursuant to Section 42284, if the difference is positive.~~

SEC. 4. Section 2575 of the Education Code is amended to read:

2575. (a) Commencing with the 2013–14 fiscal year and for each fiscal year thereafter, the Superintendent shall calculate a base entitlement for the transition to the county local control funding formula for each county superintendent of schools based on the sum of the amounts computed pursuant to paragraphs (1) to (3), ~~inclusive,~~ as adjusted pursuant to paragraph (4); inclusive:

(1) Revenue limits in the 2012–13 fiscal year pursuant to Article 3 (commencing with Section 2550) of Chapter 12, as that article read on January 1, 2013, adjusted only



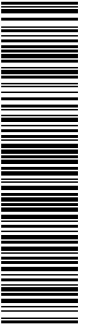


for changes in average daily attendance claimed by the county superintendent of schools for pupils identified in clauses (i), (ii), and (iii) of subparagraph (A) of paragraph (4) of subdivision (c) of Section 2574 and for pupils attending juvenile court schools. For purposes of this paragraph, the calculation of an amount per unit of average daily attendance for pupils attending juvenile court schools shall be considered final for purposes of this section as of the annual apportionment for the 2012–13 fiscal year, as calculated for purposes of the certification required on or before February 20, 2014, pursuant to Sections 41332 and 41339. All other average daily attendance claimed by the county superintendent of schools and any other average daily attendance used for purposes of calculating revenue limits pursuant to Article 3 (commencing with Section 2550) of Chapter 12, as that article read on January 1, 2013, shall be considered final for purposes of this section as of the annual apportionment for the 2012–13 fiscal year, as calculated for purposes of the certification required on or before February 20, 2014, pursuant to Sections 41332 and 41339.

(2) The sum of all of the following:

(A) (i) The amount of funding received from appropriations contained in Section 2.00 of the Budget Act of 2012, as adjusted by Section 12.42, in the following Items: 6110-104-0001, 6110-105-0001, 6110-107-0001, 6110-108-0001, 6110-111-0001, 6110-124-0001, 6110-128-0001, 6110-137-0001, 6110-144-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001, 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001, 6110-211-0001, 6110-212-0001, 6110-227-0001, 6110-228-0001, 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001, 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001, 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-266-0001, 6110-267-0001, 6110-268-0001, and 6360-101-0001, 2012–13 fiscal year funding for the Class Size Reduction Program pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28 of Division 4 of Title 2, as that chapter read on January 1, 2013, and 2012–13 fiscal year funding for pupils enrolled in community day schools who are mandatorily expelled pursuant to subdivision (d) of Section 48915. For purposes of this subparagraph, the 2012–13 fiscal year appropriations described in this subparagraph shall be considered final as of the annual apportionment for the 2012–13 fiscal year, as calculated for purposes of the certification required on or before February 20, 2014, pursuant to Sections 41332 and 41339.

(ii) If a home-to-school transportation joint powers agency, established pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing pupil transportation, received an apportionment directly from the Superintendent pursuant to Item 6110-111-0001 of Section 2.00 of the Budget Act of 2012, as identified in clause (i), the joint powers agency may identify the member local educational agencies and transfer entitlement to that funding to any of those member local educational agencies by reporting to the Superintendent, on or before September 30, 2015, the reassignment of a specified amount of the joint powers agency's 2012–13 fiscal year entitlement to the member local educational agency. Commencing with the 2015–16 fiscal year, the Superintendent shall add the reassigned amounts to the amounts calculated pursuant to this paragraph. These funds shall be subject to the requirements specified in paragraph (1) of subdivision (k).



(B) The amount of local revenues used to support a regional occupational center or program established and maintained by a county superintendent of schools pursuant to Section 52301.

(3) For the 2014–15 fiscal year and for each fiscal year thereafter, the sum of the amounts apportioned to the county superintendent of schools pursuant to subdivision (f) in all prior years.

~~(4) The revenue limit amount determined pursuant to paragraph (1) shall be increased by the difference determined by subtracting the amount provided per unit of average daily attendance in paragraph (1) for pupils attending a school that is eligible for funding pursuant to paragraph (2) of subdivision (b) of Section 42285 from the amount of funding that was provided to eligible schools in the 2012–13 fiscal year pursuant to Sections 42284 and 42238.146, as those sections read on January 1, 2013.~~

(b) The Superintendent shall annually compute a county local control funding formula transition adjustment for each county superintendent of schools as follows:

(1) Subtract the amount computed pursuant to subdivision (a) from the amount computed pursuant to subdivision (e) of Section 2574. A difference of less than zero shall be deemed to be zero.

(2) Divide the difference for each county superintendent of schools calculated pursuant to paragraph (1) by the total sum of the differences for all county superintendents of schools calculated pursuant to paragraph (1).

(3) Multiply the proportion calculated for each county superintendent of schools pursuant to paragraph (2) by the amount of funding specifically appropriated for purposes of subdivision (f). The amount calculated shall not exceed the difference for the county superintendent of schools calculated pursuant to paragraph (1).

(c) The Superintendent shall subtract from the amount calculated pursuant to subdivision (a) the sum of each of the following:

(1) Local property tax revenues received pursuant to Section 2573 in the then current fiscal year.

~~(2) Any amounts that the county superintendent of schools was required to maintain as restricted and not available for expenditure in the 1978–79 fiscal year as specified in the second paragraph of subdivision (e) of Section 6 of Chapter 292 of the Statutes of 1978, as amended by Chapter 51 of the Statutes of 1979.~~

~~(3)~~

(2) The amount received pursuant to subparagraph (C) of paragraph (3) of subdivision (a) of Section 33607.5 of the Health and Safety Code that is considered property taxes pursuant to that section.

~~(4)~~

(3) The amount, if any, received pursuant to Sections 34177, 34179.5, 34179.6, 34183, and 34188 of the Health and Safety Code.

~~(5)~~

(4) The amount, if any, received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.

(d) The Superintendent shall subtract from the amount computed pursuant to subdivision (e) of Section 2574 the sum of the amounts computed pursuant to paragraphs (1) to ~~(5)~~, (4), inclusive, of subdivision (c).

(e) The Superintendent shall annually apportion to each county superintendent of schools the amount calculated pursuant to subdivision (c) unless the amount computed



pursuant to subdivision (c) is negative. If the amount computed is negative, except as provided in subdivision (f), an amount of property tax of the county superintendent of schools equal to the negative amount shall be deemed restricted and not available for expenditure during the fiscal year. In the following fiscal year, that amount, excluding any amount of funds used for purposes of subdivision (f), shall be considered restricted local property tax revenue for purposes of subdivision (a) of Section 2578. State aid shall not be apportioned to the county superintendent of schools pursuant to this subdivision if the amount computed pursuant to subdivision (c) is negative.

(f) (1) The Superintendent shall apportion, from an appropriation specifically made for this purpose, the amount computed pursuant to subdivision (b), or, if the amount computed pursuant to subdivision (c) is negative, the sum of the amounts computed pursuant to subdivisions (b) and (c) if the sum is greater than zero.

(2) The Superintendent shall apportion any portion of the appropriation made for purposes of paragraph (1) that is not apportioned pursuant to paragraph (1) pursuant to the following calculation:

(A) Add the amount calculated pursuant to subdivision (b) to the amount computed pursuant to subdivision (a) for a county superintendent of schools.

(B) Subtract the amount computed pursuant to subparagraph (A) from the amount computed pursuant to subdivision (e) of Section 2574 for the county superintendent of schools.

(C) Divide the difference for the county superintendent of schools computed pursuant to subparagraph (B) by the sum of the differences for all county superintendents of schools computed pursuant to subparagraph (B).

(D) Multiply the proportion computed pursuant to subparagraph (C) by the unapportioned balance in the appropriation. That product shall be the county superintendent of schools' proportion of total need.

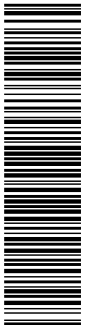
(E) Apportion to each county superintendent of schools the amount calculated pursuant to subparagraph (D), or if subdivision (c) is negative, apportion the sums of subdivisions (b) and (c) and subparagraph (D) of this subdivision if the sum is greater than zero.

(F) The Superintendent shall repeat the computation made pursuant to this paragraph, accounting for any additional amounts apportioned after each computation, until the appropriation made for purposes of paragraph (1) is fully apportioned.

(G) The total amount apportioned pursuant to this subdivision to a county superintendent of schools shall not exceed the difference for the county superintendent of schools calculated pursuant to paragraph (1) of subdivision (b).

(H) For purposes of this paragraph, the proportion of need that is funded from any appropriation made specifically for purposes of this subdivision in the then current fiscal year shall be considered fixed as of the second principal apportionment for that fiscal year. Adjustments to a county superintendent of schools' total need computed pursuant to subparagraph (D) after the second principal apportionment for the then current fiscal year shall be funded based on the fixed proportion of need that is funded for that fiscal year pursuant to this subdivision, and shall be continuously appropriated pursuant to Section 14002.

(g) (1) For a county superintendent of schools for whom, in the 2013–14 fiscal year, the amount computed pursuant to subdivision (c) is less than the amount computed pursuant to subdivision (d), in the first fiscal year following the fiscal year in which



the sum of the apportionments computed pursuant to subdivisions (e) and (f) is equal to, or greater than, the amount computed pursuant to subdivision (d) of this section, the Superintendent shall apportion to the county superintendent of schools the amount computed in subdivision (d) in that fiscal year and each fiscal year thereafter instead of the amounts computed pursuant to subdivisions (e) and (f).

(2) For a county superintendent of schools for whom, in the 2013–14 fiscal year, the amount computed pursuant to subdivision (c) is greater than the amount computed pursuant to subdivision (d), in the first fiscal year in which the amount computed pursuant to subdivision (c) would be less than the amount computed pursuant to subdivision (d), the Superintendent shall apportion to the county superintendent of schools the amount computed in subdivision (d) in that fiscal year and each fiscal year thereafter instead of the amounts computed pursuant to subdivisions (e) and (f).

(3) In each fiscal year, the Superintendent shall determine the percentage of county superintendents of schools that are apportioned funding that is less than the amount computed pursuant to subdivision (d), as of the second principal apportionment of the fiscal year. If the percentage is less than 10 percent, the Superintendent shall apportion to those county superintendents of schools funding equal to the amount computed in subdivision (d) in that fiscal year and for each fiscal year thereafter instead of the amounts calculated pursuant to subdivisions (e) and (f).

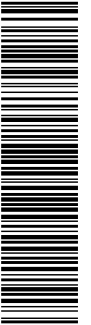
(4) Commencing with the first fiscal year after the apportionments in paragraph (3) are made, the adjustments in paragraph (4) of subdivision (a) of Section 2574 and subparagraph (B) of paragraph (1) of subdivision (c) of Section 2574 shall be made only if an appropriation for those purposes is included in the annual Budget Act.

(5) If the calculation pursuant to subdivision (d) is negative and the Superintendent apportions to a county superintendent of schools the amount computed pursuant to subdivision (d) pursuant to paragraph (1), (2), or (3) of this subdivision, an amount of property tax of the county superintendent of schools equal to the negative amount shall be deemed restricted and not available for expenditure during that fiscal year. In the following fiscal year the restricted amount shall be considered restricted local property tax revenue for purposes of subdivision (a) of Section 2578.

(h) Commencing with the 2013–14 fiscal year, the Superintendent shall apportion to a county superintendent of schools an amount of state aid, including any amount apportioned pursuant to subdivisions (f) and (g), that is no less than the amount calculated in subparagraph (A) of paragraph (2) of subdivision (a).

(i) (1) For the 2013–14 and 2014–15 fiscal years only, a county superintendent of schools who, in the 2012–13 fiscal year, from any of the funding sources identified in paragraph (1) or (2) of subdivision (a), received funds on behalf of, or provided funds to, a regional occupational center or program joint powers agency established in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing instruction to pupils enrolled in grades 9 to 12, inclusive, shall not redirect that funding for another purpose unless otherwise authorized by law or pursuant to an agreement between the regional occupational center or program joint powers agency and the contracting county superintendent of schools.

(2) For the 2013–14 and 2014–15 fiscal years only, if a regional occupational center or program joint powers agency established in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the



Government Code for purposes of providing instruction to pupils enrolled in grades 9 to 12, inclusive, received, in the 2012–13 fiscal year, an apportionment of funds directly from any of the funding sources identified in subparagraph (A) of paragraph (2) of subdivision (a), the Superintendent shall apportion that same amount to the regional occupational center or program joint powers agency.

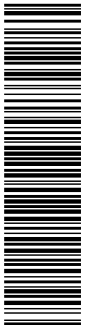
(j) For the 2013–14 and 2014–15 fiscal years only, a county superintendent of schools who, in the 2012–13 fiscal year, from any of the funding sources identified in paragraph (1) or (2) of subdivision (a), received funds on behalf of, or provided funds to, a home-to-school transportation joint powers agency established in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing pupil transportation shall not redirect that funding for another purpose unless otherwise authorized by law or pursuant to an agreement between the home-to-school transportation joint powers agency and the contracting county superintendent of schools.

(k) (1) In addition to subdivision (j), of the funds a county superintendent of schools receives for home-to-school transportation programs, the county superintendent of schools shall expend, pursuant to former Article 2 (commencing with Section 39820) of Chapter 1 of Part 23.5 of Division 3 of Title 2, former Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 of Division 3 of Title 2, and the Small School District Transportation program, as set forth in former Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of Division 3 of Title 2, as those articles read on January 1, 2013, no less for those programs than the amount of funds the county superintendent of schools expended for home-to-school transportation in the 2012–13 fiscal year.

(2) For the 2013–14 and 2014–15 fiscal years only, if a home-to-school transportation joint powers agency established in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing pupil transportation received, in the 2012–13 fiscal year, an apportionment of funds directly from the Superintendent from any of the funding sources identified in subparagraph (A) of paragraph (2) of subdivision (a), the Superintendent shall apportion that same amount to the home-to-school transportation joint powers agency.

(3) For the 2013–14 and 2014–15 fiscal years only, of the funds a county superintendent of schools receives for purposes of regional occupational centers or programs, or adult education, the county superintendent of schools shall expend no less for each of those programs than the amount of funds the county superintendent of schools expended for purposes of regional occupational centers or programs, or adult education, respectively, in the 2012–13 fiscal year. For purposes of this paragraph, a county superintendent of schools may include expenditures made by a school district within the county for purposes of regional occupational centers or programs so long as the total amount of expenditures made by the school districts and the county superintendent of schools equals or exceeds the total amount required to be expended for purposes of regional occupational centers or programs pursuant to this paragraph and paragraph (7) of subdivision (a) of Section 42238.03.

(l) The funds apportioned pursuant to this section and Section 2574 shall be available to implement the activities required pursuant to Article 4.5 (commencing with Section ~~52060~~ 52059.5) of Chapter 6.1 of Part 28 of Division 4 of Title 2.



SEC. 5. Section 2575.2 is added to the Education Code, to read:

2575.2. (a) Commencing with the 2018–19 fiscal year, the Superintendent shall add to the amount to be apportioned pursuant to Section 2575, the sum of two hundred thousand dollars (\$200,000) and the following:

(1) For the 2018–19 fiscal year, the fiscal year allowance calculated pursuant to subdivision (b) using the 2018 local control funding formula assistance status report plus the allowance calculated pursuant to subdivision (b) using the 2017 local control funding formula assistance status report, divided by two.

(2) For the 2019–20 fiscal year and each fiscal year thereafter, the allowance calculated pursuant to subdivision (b) for the current year local control funding formula assistance status report plus the allowance calculated pursuant to subdivision (b) for the prior two years' local control funding formula assistance status reports, divided by three.

(b) The allowance for each fiscal year shall be equal to the sum of the following: one hundred thousand dollars (\$100,000) multiplied by the number of small school districts; two hundred thousand dollars (\$200,000) multiplied by the number of medium school districts; and three hundred thousand dollars (\$300,000) multiplied by the number of large school districts for which the county superintendent of schools has jurisdiction pursuant to Sections 1240 and 1253 that are also determined to be in need of differentiated assistance pursuant to subdivision (c) of Section 52071.

(c) For purposes of this section, a small school district is any school district with average daily attendance of 2,499 or less, a medium school district is any school district with an average daily attendance of at least 2,500 but not more than 9,999, and a large school district is any school district with an average daily attendance of 10,000 or more.

(d) Average daily attendance for purposes of this section shall be the annual period average daily attendance as reported by the school district for the prior fiscal year.

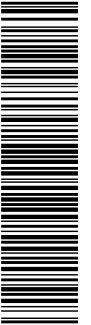
(e) For purposes of this section, a school district in need of differentiated assistance is a school district identified pursuant to subdivision (c) of Section 52071.

(f) This section shall not apply to a county superintendent of schools in a county where the county board of education serves as the governing board of any school district under its jurisdiction, except if the school district is identified for differentiated assistance pursuant to subdivision (c) of Section 52071, in which case the amount calculated pursuant to subdivision (b) shall be allocated to the lead agency identified pursuant to Section 52073 of the region in which the county office of education is located. Funds allocated pursuant to this subdivision shall be used by either the lead agency to whom the funds were allocated or another county office of education identified by the county office of education that generated the funds to provide the technical assistance described in subdivision (c) of Section 52071 to the county office of education that generated the funds.

(g) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations described in subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202.

SEC. 6. Section 8220.1 of the Education Code is amended to read:

8220.1. (a) It is the intent of the Legislature that:



(1) Working families be supported with maximum access to child care and development programs that focus on stabilizing families and helping children realize greater education outcomes.

(2) Working families have access to the supportive services needed to ensure the healthy physical, cognitive, social, and emotional growth and development of children.

(3) The Superintendent, in providing funding to child care and development agencies, promote a contracting term for services that will allow parents the opportunity to choose the type of care most suited to their needs.

(4) Working families achieve and maintain their personal, social, economic, and emotional stability through an opportunity to attain financial stability through employment and parental development while maximizing the growth and development of their children, and through enhancing their parenting skills through participation in child care and development programs.

(b) The department shall contract with local contracting agencies for alternative payment programs so that services will be provided throughout the state. The department shall expand existing alternative payment programs and fund new alternative payment programs to the extent that funds are provided by the Legislature.

(c) Funding for the new programs pursuant to this section shall be allocated to programs that meet all of the following requirements:

(1) Applicants shall conform to the requirements of this article.

(2) Applicants shall demonstrate that an alternative payment child development program is an appropriate method of delivering child care services within the county or service area at the level requested in the application by doing either of the following:

(A) Demonstrating the availability of sufficient licensed or exempt child care providers.

(B) Providing a plan for the development of sufficient licensed child care providers working in cooperation with the local resource and referral agency.

(3) Applicants shall demonstrate the administrative viability of the alternative payment agency and its capacity to meet performance requirements.

(4) Existing alternative payment child development programs receiving funds for expansion into a new service area shall be funded at a documented rate appropriate to that community and may contract separately as appropriate.

(d) (1) Except as provided in paragraph (3), an alternative payment program shall have no less than ~~36 months~~ 12 months, and no more than 24 months, to expend funds allocated to that program in any fiscal year.

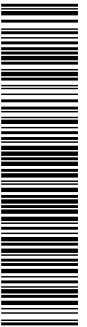
(2) The Superintendent shall develop a process that provides alternative payment programs no less than ~~36 months~~ 12 months, and no more the 24 months, to expend funds allocated to that program in any fiscal year.

(3) Paragraphs (1) and (2) do not apply to contracts relating to the administration of child care services described in Sections 8353 and 8354.

SEC. 7. Section 8265 of the Education Code is amended to read:

8265. (a) The Superintendent shall implement a plan that establishes reasonable standards and assigned reimbursement rates, which vary with the length of the program year and the hours of service.

(1) Parent fees shall be used to pay reasonable and necessary costs for providing additional services.



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(2) When establishing standards and assigned reimbursement rates, the Superintendent shall confer with applicant agencies.

(3) The reimbursement system, including standards and rates, shall be submitted to the Joint Legislative Budget Committee.

(4) The Superintendent may establish any regulations he or she deems advisable concerning conditions of service and hours of enrollment for children in the programs.

(b) Commencing July 1, ~~2017, 2018~~, the standard reimbursement rate shall be ~~eleven thousand three hundred sixty dollars (\$11,360)~~ nine hundred ninety-five dollars (\$11,995) and, commencing with the ~~2018-19~~ 2019-20 fiscal year, shall be increased by the cost-of-living adjustment granted by the Legislature annually pursuant to Section 42238.15. Commencing July 1, ~~2017, 2018~~, the full-day state preschool reimbursement rate shall be ~~eleven thousand four hundred thirty-two dollars and fifty cents (\$11,432.50)~~ twelve thousand seventy dollars (\$12,070) and, commencing with the ~~2018-19~~ 2019-20 fiscal year, shall be increased by the cost-of-living adjustment granted by the Legislature annually pursuant to Section 42238.15. ~~It is the intent of the Legislature to further increase the standard reimbursement rate through the 2018-19 fiscal year to reflect increased costs to providers resulting from increases in the state minimum wage.~~

(c) The plan shall require agencies having an assigned reimbursement rate above the current year standard reimbursement rate to reduce costs on an incremental basis to achieve the standard reimbursement rate.

(d) (1) The plan shall provide for adjusting reimbursement on a case-by-case basis, in order to maintain service levels for agencies currently at a rate less than the standard reimbursement rate. Assigned reimbursement rates shall be increased only on the basis of one or more of the following:

(A) Loss of program resources from other sources.

(B) Need of an agency to pay the same child care rates as those prevailing in the local community.

(C) Increased costs directly attributable to new or different regulations.

(D) Documented increased costs necessary to maintain the prior year's level of service and ensure the continuation of threatened programs.

(2) Child care agencies funded at the lowest rates shall be given first priority for increases.

(e) The plan shall provide for expansion of child development programs at no more than the standard reimbursement rate for that fiscal year.

(f) The Superintendent may reduce the percentage of reduction for a public agency that satisfies any of the following:

(1) Serves more than 400 children.

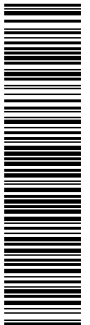
(2) Has in effect a collective bargaining agreement.

(3) Has other extenuating circumstances that apply, as determined by the Superintendent.

SEC. 8. The heading of Article 15.4 (commencing with Section 8347) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is amended to read:

Article 15.4. Individualized County of San Mateo Child Care Subsidy Plan

SEC. 9. Section 8357 of the Education Code is amended to read:





8357. (a) The cost of child care services provided under this article shall be governed by regional market rates. Recipients of child care services provided pursuant to this article shall be allowed to choose the child care services of licensed child care providers or child care providers who are, by law, not required to be licensed, and the cost of that child care shall be reimbursed by counties or agencies that contract with the department if the cost is within the regional market rate. For purposes of this section, “regional market rate” means care costing no more than 1.5 market standard deviations above the mean cost of care for that region. It is the intent of the Legislature to reimburse child care providers at the 85th percentile of the most recent regional market rate survey. It is also the intent of the Legislature to update the regional market rate ceilings with each new regional market rate survey, based on available funding, and to further increase the regional market rate ceilings through the 2018–19 fiscal year to reflect increased costs to providers resulting from increases in the state minimum wage.

(b) Commencing January 1, 2017, and until December 31, 2017, the ~~The~~ regional market rate ceilings shall be established at the greater of either of the following:

(1) The 75th percentile of the 2014 regional market rate survey for that region.

(2) The regional market rate ceiling for that region as it existed on December 31, 2016.

(c) Commencing January 1, 2018, and until December 31, 2018, the regional market rate ceilings shall be established at the greater of either of the following:

(1) The 75th percentile of the 2016 regional market rate survey for that region.

(2) The regional market rate ceiling that existed in that region on December 31, 2017.

(d) Commencing January 1, 2019, the regional market rate ceilings shall be established at the 75th percentile of the 2016 regional market rate survey for that region.

(e) Commencing January 1, 2017, reimbursement

(c) Reimbursement to license-exempt child care providers shall not exceed 70 percent of the family child care home rate established pursuant to subdivisions (b) and (e). subdivision (b).

(f)

(d) Reimbursement to child care providers shall not exceed the fee charged to private clients for the same service.

(g)

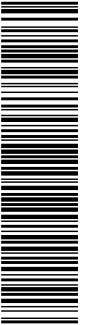
(e) Reimbursement shall not be made for child care services when care is provided by parents, legal guardians, or members of the assistance unit.

(h)

(f) A child care provider located on an Indian reservation or rancheria and exempted from state licensing requirements shall meet applicable tribal standards.

(i)

(g) For purposes of this section, “reimbursement” means a direct payment to the provider of child care services, including license-exempt providers. If care is provided in the home of the recipient, payment may be made to the parent as the employer, and the parent shall be informed of his or her concomitant legal and financial reporting requirements. To allow time for the development of the administrative systems necessary to issue direct payments to providers, for a period not to exceed six months from the effective date of this article, a county or an alternative payment agency contracting



with the department may reimburse the cost of child care services through a direct payment to a recipient of aid rather than to the child care provider.

~~(j)~~

~~(h)~~ Counties and alternative payment programs shall not be bound by the rate limits described in subdivisions (a) to (d), inclusive, and (b), when there are, in the region, no more than two child care providers of the type needed by the recipient of child care services provided under this article.

~~(k)~~

~~(i)~~ (1) Notwithstanding any other law, reimbursements to child care providers based upon a daily rate may only be authorized under either of the following circumstances:

(A) A family has an unscheduled but documented need of six hours or more per occurrence, such as the parent's need to work on a regularly scheduled day off, that exceeds the certified need for child care.

(B) A family has a documented need of six hours or more per day that exceeds no more than 14 days per month. In no event shall reimbursements to a provider based on the daily rate over one month's time exceed the provider's equivalent full-time monthly rate or applicable monthly ceiling.

(2) This subdivision shall not limit providers from being reimbursed for services using a weekly or monthly rate, pursuant to subdivision (c) of Section 8222.

SEC. 10. Section 8483.7 of the Education Code is amended to read:

8483.7. (a) (1) (A) Each school that establishes a program pursuant to this article is eligible to receive a three-year after school grant, that shall be awarded in three one-year increments and is subject to semiannual attendance reporting and requirements as described in Section 8482.3 once every three years.

(i) The department shall provide technical support for development of a program improvement plan for grantees under the following conditions:

(I) If actual pupil attendance falls below 75 percent of the target attendance level in any year of the grant.

(II) If the grantee fails, in any year of the grant, to demonstrate measurable outcomes pursuant to Section 8484.

(ii) The department shall adjust the grant level of any school within the program that is under its targeted attendance level by more than 15 percent in each of two consecutive years.

(iii) In any year after the initial grant year, if the actual attendance level of a school within the program falls below 75 percent of the target attendance level, the department shall perform a review of the program and adjust the grant level as the department deems appropriate.

(iv) The department shall create a process to allow a grantee to voluntarily lower its annual grant amount if one or more sites are unable to meet the proposed pupil attendance levels by the end of the second year of the grant.

(v) A grantee who has had its grant amount reduced may subsequently request an increase in funding up to the maximum grant amounts provided under this subdivision.

(vi) The department may withhold or terminate the grant allocation of any site or program that does not comply with audit resolutions, fiscal reporting, attendance reporting, or outcomes reporting requirements required by the department.



(vii) Notwithstanding any other provision of this subdivision or any other law, after the ~~technical-assistance support~~ required under clause (i) has been provided, the department may at any time terminate the grant of a school in a program that fails for three consecutive years to meet either of the following requirements:

(I) Demonstrate measurable program outcomes pursuant to Section 8484.

(II) Attain 75 percent of its proposed attendance level after having had its program reviewed and grant level adjusted by the department.

(B) After school grants may be awarded to applicants that have demonstrated readiness to begin operation of a program or to expand existing programs.

(C) The maximum total after school grant amount awarded annually pursuant to this paragraph shall be one hundred twelve thousand five hundred dollars (\$112,500) for each regular school year for each elementary school and one hundred fifty thousand dollars (\$150,000) for each regular school year for each middle or junior high school. The Superintendent shall determine the total annual after school grant amount for which a site is eligible based on a formula of seven dollars and fifty cents (\$7.50) per pupil per day of pupil attendance that the program plans to serve, with a maximum total grant of thirty-seven dollars and fifty cents (\$37.50) per projected pupil per week, and a formula of seven dollars and fifty cents (\$7.50) per projected pupil per day of staff development, with a maximum of three staff development days per year. A program may provide the three days of staff development during regular program hours using funds from the total grant award.

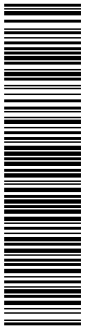
(2) For large schools, the maximum total grant amounts described in paragraph (1) may be increased based on the following formulas, up to a maximum amount of twice the respective limits specified in paragraph (1):

(A) For elementary schools, multiply one hundred thirteen dollars (\$113) by the number of pupils enrolled at the schoolsite for the normal schoolday program that exceeds 600.

(B) For middle schools, multiply one hundred thirteen dollars (\$113) by the number of pupils enrolled at the schoolsite for the normal schoolday program that exceeds 900.

(3) The maximum total grant amounts set forth in subparagraph (C) of paragraph (1) may be increased from any funds made available for this purpose in the annual Budget Act for participating schools that have pupils on waiting lists for the program. Grants may be increased by the lesser of an amount that is either 25 percent of the current maximum total grant amount or equal to the proportion of pupils unserved by the program as measured by documented waiting lists as of January 1 of the previous grant year, compared to the actual after school enrollment on the same date. The amount of the required cash or in-kind matching funds shall be increased accordingly. First priority for an increased maximum grant pursuant to this paragraph shall be given to schools that qualify for funding pursuant to subdivision (b) of Section 8482.55. Second priority shall be given to schools that receive funding priority pursuant to subdivision (f) of Section 8482.55.

(4) The minimum total after school grant amount for each schoolsite that may be awarded pursuant to this section shall be computed by multiplying the applicable rate per pupil per day of pupil attendance by 20 pupils being served for 180 regular schooldays.



~~(5) A school that establishes a program pursuant to this section is eligible to receive a summer grant to operate the program in excess of 180 regular schooldays or during any combination of summer, intersession, or vacation periods for a maximum of the lesser of the following amounts:~~

~~(A) Seven dollars and fifty cents (\$7.50) per day per pupil.~~

~~(B) Thirty percent of the total grant amount awarded to the school per school year pursuant to subparagraph (C) of paragraph (1).~~

~~(C) Notwithstanding subparagraphs (A) and (B), the maximum total summer grant that may be awarded annually pursuant to this paragraph shall be thirty-three thousand seven hundred fifty dollars (\$33,750) for each regular school year for each elementary school and forty-five thousand dollars (\$45,000) for each regular school year for each middle or junior high school.~~

~~(6)~~

(5) Additional funding may be made available for transportation in programs that meet the requirements of Section 8484.65, in an amount not to exceed fifteen thousand dollars (\$15,000) per site, per school year, as funds are available, in accordance with the local community after school program needs as determined by the department. Programs shall submit to the department for consideration evidence of the need for after school transportation funds specific to after school programs pursuant to this article. Funding under this paragraph may be used to supplement, but not supplant, local transportation services.

~~(7)~~

(6) Each program shall provide an amount of cash or in-kind local funds equal to not less than one-third of the total grant from the school district, governmental agencies, community organizations, or the private sector. Facilities or space usage may fulfill not more than 25 percent of the required local contribution.

~~(8)~~

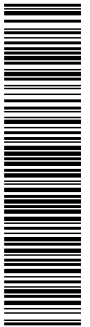
(7) (A) A grantee may allocate, with departmental approval, up to 125 percent of the maximum total grant amount for an individual school, so long as the maximum total grant amount for all school programs administered by the program grantee is not exceeded.

(B) A program grantee that transfers funds for purposes of administering a program pursuant to subparagraph (A) shall have an established waiting list for enrollment, and may transfer only from another school program that has met a minimum of 70 percent of its attendance goal.

(b) The administrator of a program established pursuant to this article may supplement, but not supplant, existing funding for after school programs with grant funds awarded pursuant to this article. State categorical funds for remedial education activities shall not be used to make the required contribution of local funds for those after school programs.

(c) Up to 15 percent of the initial year's grant amount for each grant recipient may be used for startup costs. Under no circumstance shall funding for startup costs result in an increase in the grant recipient's total funding above the approved grant amount.

(d) For each year of the grant, the department shall award the total grant amount for that year not later than 30 days after the date the grantee accepts the grant.



(e) The department may adjust the amount of a direct grant, awarded to a new applicant pursuant to this section, on the basis of the program start date, as determined by the department.

SEC. 11. Section 8483.76 of the Education Code is amended to read:

8483.76. (a) A school that establishes a program pursuant to Section 8483.7 or 8483.75 is eligible to receive a summer grant to operate the program in excess of 180 regular schooldays or during any combination of summer, weekends, intersession, or vacation periods for a maximum of either 30 percent of the total grant amount awarded, per school year, to the school, or ~~thirty-three thousand seven hundred fifty dollars (\$33,750) for each regular school year for each elementary school and forty-five thousand dollars (\$45,000) for each regular school year for each middle or junior high school.~~ school.

(b) An existing after school summer grantee may operate a three-hour or a six-hour per day program. If the grantee operates a six-hour per day program, the target attendance level for the purpose of grant reductions pursuant to subparagraph (A) of paragraph (1) of subdivision (a) of Section 8483.7 shall be computed as if the grant award were based upon the lesser of fifteen dollars (\$15) per day of pupil attendance or 30 percent of the total grant awarded to the school per school year.

(c) A summer grantee that operates a program pursuant to this section may change the location of the program to address the needs of pupils and school closures. The program may be conducted at an offsite location or at an alternate schoolsite. The summer grantee shall give notice to the department of the change of location and shall include a plan to provide safe transportation pursuant to Section 8484.6.

(d) A summer grantee that operates a program pursuant to this section may open eligibility to every pupil attending a school in the school district. Priority for enrollment shall be given to the pupils enrolled in the school that receives the grant.

(e) A summer grantee operating a six-hour per day program shall provide for each needy pupil at least one nutritionally adequate free or reduced-price meal during each program day.

(f) A summer grantee that operates a six-hour per day program is required to submit, for prior approval by the department, a revised program plan that includes all of the following:

(1) A plan for provision of the free or reduced-price meal required by subdivision (e).

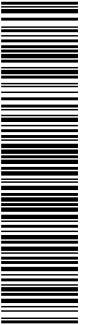
(2) An attendance and early release policy for the program that is consistent with the local educational agency's early release policy for the regular schoolday.

SEC. 12. Article 23.5 (commencing with Section 8492) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to read:

#### Article 23.5. Inclusive Early Education Expansion

8492. (a) The Legislature finds and declares all of the following:

(1) Early childhood inclusion embodies the values, policies, and practices that support the right of every infant and young child and his or her family, regardless of ability, to participate in a broad range of activities and contexts as full members of families, communities, and society. The desired results of inclusive experiences for children with and without disabilities and their families include a sense of belonging



and membership, positive social relationships and friendships, and development and learning to reach their full potential. The defining features of inclusion that can be used to identify high-quality early childhood programs and services are access, participation, and supports.

(2) In accordance with the Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.), all young children with exceptional needs should have access to inclusive high-quality early care and education programs where they are able to learn alongside children who do not have exceptional needs and are provided with individualized and appropriate supports to enable them to meet high expectations.

(3) Inclusive early care and education programs can improve a child's developmental progress and educational outcomes, especially for children with exceptional needs.

(4) Interventions provided to children with exceptional needs, including children who are at risk of requiring services for pupils with exceptional needs, can be more effective when a child is younger.

(5) Access to inclusive early care and education programs benefits communities and families, especially when programs are coordinated with public elementary and secondary education systems to create a developmental and educational continuum of support.

(b) The Inclusive Early Education Expansion Program is hereby established for the purpose of increasing access to inclusive early care and education programs.

(c) The sum of one hundred sixty-seven million two hundred forty-two thousand dollars (\$167,242,000) is hereby appropriated from the General Fund to the Superintendent for allocation to local educational agencies for the Inclusive Early Education Expansion Program pursuant to this section. Funds shall be available for encumbrance until June 30, 2023.

(d) The department's Special Education Division and Early Education and Support Division shall work collaboratively to administer the program, including developing criteria for the selection of grantees.

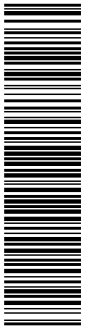
(e) At a minimum, an applicant shall be a local educational agency and shall include all of the following information in its grant application:

(1) A proposal to increase access to subsidized inclusive early care and education programs for children up to five years of age, including those defined as "children with exceptional needs" pursuant to Section 8208, in low-income and high-need communities. "High-need" shall be defined pursuant to the county child care needs assessment specified in Section 8499.5. The proposal shall quantify the number of additional subsidized children proposed to be served, including children with exceptional needs.

(2) A plan to fiscally sustain subsidized spaces or programs created by grant funds beyond the grant period. Subsidies may be funded with private, local, state, or federal funds, but shall be able to demonstrate a reasonable expectation of sustainability.

(3) The identification of local resources to contribute 33 percent of the total award amount. The total award amount shall include state and local resources. Local resources may include in-kind contributions.

(4) The identification of resources necessary to support lead agency professional development to allow staff to develop the knowledge and skills required to implement effective inclusive practices and fiscal sustainability.



(5) A description of the special education expertise that will be used to ensure the funds are used in a high-quality, inclusive manner.

(f) Nothing in this section shall prohibit a local educational agency from applying on behalf of a consortium of providers within the local educational agency's program area, including public and private agencies that will provide inclusive early care and education programs on behalf of the applicant.

(g) Grants shall be awarded on a competitive basis. Priority shall be given to all of the following:

(1) Applicants with a demonstrated need for expanded access to inclusive early care and education.

(2) Applicants in low-income communities and applicants that represent a consortium of local partners, including local special education partners and those with expertise in inclusive early learning and care environments.

(3) Applicants who demonstrate the ability to serve a broad range of disabilities.

(4) Applicants who do or plan to serve children with disabilities in proportion to their rate of identification similar to local educational agencies in their region.

(h) Grants may be used for one-time infrastructure costs only, including, but not limited to, adaptive and universal design facility renovations, adaptive equipment, and professional development. Funds shall not be used for ongoing expenditures.

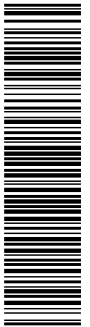
(i) A grant recipient shall commit to provide program data and participate in overall program evaluation to ensure expanded access to inclusive environments, as specified by the department, as a condition of the receipt of grant funding.

(j) The department may reserve up to 1 percent of the program funds to support an evaluation to address improved access, participation, and supports to inclusive early learning and care programs and program and child outcomes.

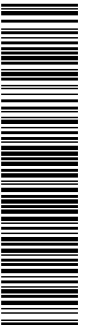
(k) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the amount appropriated in subdivision (c) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202, for the 2017–18 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202, for the 2017–18 fiscal year.

SEC. 13. Section 14041 of the Education Code is amended to read:

14041. (a) The Controller shall draw warrants on the State Treasury in favor of the county treasurer of each county in each month of each year in the amounts and manner prescribed in this section so as to provide in each warrant a portion of the total amount certified by the Superintendent as apportioned ~~under the provisions of Sections 41330 to 41343, inclusive, and Chapter 4 (commencing with Section 41600) and Chapter 5 (commencing with Section 41760.2) and Article 2 (commencing with Section 42238) of Chapter 7 of Part 24 of Division 3 of Title 2, during the fiscal year from the State School Fund to the school districts under the jurisdiction of the county superintendent of schools of the county, to the county school service fund, and to the county school tuition fund of the county.~~ for programs identified in paragraph (1) during the fiscal year from the State School Fund to the school districts and charter schools under the jurisdiction of the county superintendent of schools of that county, to the county school service fund of that county, and to the county school tuition fund of that county.



- (1) Programs to be included in the apportionment include all of the following:  
(A) Chapter 12.5 (commencing with Section 2574) of Part 2.  
(B) Sections 41330 to 41343, inclusive.  
(C) Section 41544.  
(D) Chapter 4 (commencing with Section 41600) of Part 24 of Division 3 of Title 2.  
(E) Chapter 5 (commencing with Section 41760.2) of Part 24 of Division 3 of Title 2.  
(F) Section 41841.5.  
(G) Article 2 (commencing with Section 42238) of Chapter 7 of Part 24 of Division 3 of Title 2.  
(H) Section 47663.  
(I) Article 7 (commencing with Section 48300) of Chapter 2 of Part 27 of Division 4 of Title 2.  
(J) Article 10 (commencing with Section 48350) of Chapter 2 of Part 27 of Division 4 of Title 2.  
(K) Sections 56428, 56432, 56836 to 56836.06, inclusive, 56836.08 to 56836.15, inclusive, and 56836.165 to 56836.31, inclusive.
- ~~(1) Warrants for amounts allowed to county school service funds under subdivisions (a) and (b) of Section 14054 shall be for amounts equal to 5 percent in July, 5 percent in August, and 9 percent in each remaining month of the fiscal year of the amounts certified by the Superintendent as a part of the advance apportionment.~~
- ~~(2) Warrants for amounts apportioned to school districts and districts, county school service funds for classes maintained by county superintendents of schools funds, and to the county school tuition funds shall be for amounts equal to 5 percent in July, 5 percent in August, and 9 percent in September, October, November, December, and January, of the amounts certified by the Superintendent as a part of the advance apportionment.~~
- ~~(3) Warrants in the months of February to May, inclusive, shall be for amounts equal to one-fifth of the difference between the amounts certified by the Superintendent for school districts and districts, county school service funds for classes maintained by county superintendents of schools funds, and county school tuition funds as the first principal apportionment and the amounts required by paragraph (2).~~
- ~~(4) Warrants for the month of June shall be for amounts equal to the difference between the amounts certified by the Superintendent for school districts and districts, county school service funds for classes maintained by county superintendents of schools funds, and county school tuition funds as the second principal apportionment and the amounts required by paragraphs (2) and (3).~~
- ~~(5) Warrants in the months of July and August shall include 5 percent of the estimated total amounts of the special purpose apportionment, as determined by the Superintendent. Warrants in the months of September to November, inclusive, shall include 9 percent of the estimated total amounts of the special purpose apportionment, as determined by the Superintendent. Warrants in December shall include 9 percent of the amounts certified by the Superintendent as the special purpose apportionment, as adjusted, if necessary, to correct excesses or deficiencies in the estimates made for purposes of the warrants in the months of September to November, inclusive. An~~





~~additional 9 percent of the amounts of the special purpose apportionment shall be included in the warrants for the months from January to June, inclusive.~~

~~(6)~~

(5) Warrants in June shall include the total amounts certified by the Superintendent as the final apportionment.

~~(7)~~

(6) Notwithstanding paragraph (2) to the contrary, for school districts that reported less than 5,000 units of average daily attendance in the 1979–80 fiscal year and that received 39 percent or more, but less than 75 percent, of their total revenue limits from local property taxes in that fiscal year, warrants for amounts apportioned to the school districts shall be for amounts equal to 15 percent in July, August, September, and October; zero percent in November and December; and 6 percent in January of the amounts certified by the Superintendent as a part of the advance apportionment. Warrants for amounts apportioned to the school districts for the months of February to May, inclusive, shall be in accordance with paragraph (3), and for the month of June, shall be in accordance with paragraph (4).

~~(8)~~

(7) Notwithstanding paragraph (2) or ~~(7)~~ (6) to the contrary, for school districts ~~which that~~ reported less than 5,000 units of average daily attendance in the 1979–80 fiscal year and ~~which that~~ received 75 percent or more of their total revenue limits from local property taxes in that fiscal year, warrants for amounts apportioned to the school districts shall be for amounts equal to 15 percent in July; 30 percent in August and September; 15 percent in October; zero percent in November and December; 6 percent in January; and zero percent in February, March, April, and May, of the amounts certified by the Superintendent as a part of the advance apportionment. Warrants for the month of June shall be in accordance with paragraph (4).

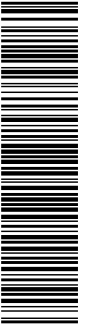
~~(9)~~

(8) (A) Notwithstanding any other law, for the 2012–13 fiscal year only, for purposes of warrants drawn on the State Treasury pursuant to this section, the amount certified by the Superintendent as the advance apportionment and first principal apportionment shall include the following reduction:

(i) The Superintendent shall multiply six billion nine hundred twenty-one million five hundred twenty-two thousand dollars (\$6,921,522,000) by the ratio of the revenue limit or charter school general purposes funding for each county office of education, school district, or charter school, to the statewide total of revenue limit and charter school general purpose funding.

(ii) For each county office of education, school district, or charter school, the Superintendent shall subtract the amount calculated in clause (i) from the apportionments calculated pursuant to Sections 2558, 42238, and 47633.

(B) Notwithstanding any other law, for the 2012–13 fiscal year, the Superintendent shall delay the second principal apportionment calculated pursuant to Section 41335 from July 2, 2013, to July 15, 2013, to account for all revenues remitted to school districts and county offices of education pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution. The Superintendent shall ensure that the second principal apportionment calculated pursuant to Section 41335 accounts for the difference between the amount distributed pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section



36 of Article XIII of the California Constitution and the offsets listed in subparagraph (A). Nothing in this section shall delay the payment of warrants to school districts and county offices of education 10 days before the close of the state's fiscal year pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.

~~(10)~~

(9) Notwithstanding paragraph (1), (3), or (7), as those paragraphs and this section read on June 1, 2018, for the 2012–13 fiscal year only, the Superintendent shall reduce the June warrants for any amounts received pursuant to Sections 34179.5 and 34179.6 of the Health and Safety Code. This reduction shall constitute the entire amount distributed pursuant to Sections 34179.5 and 34179.6 of the Health and Safety Code and offset pursuant to subparagraph (B) of paragraph (6) of subdivision (h) of Section 42238, paragraph (6) of subdivision (c) of Section 2558, and Section 56836.08.

(b) The drawing of the warrants required to be drawn during any one of the months mentioned may be postponed by the Controller for not to exceed 30 days, but the total amounts due the several counties during any fiscal year shall be paid within the fiscal year. The warrants shall be paid by the Treasurer from the State School Fund and are not subject to Section 925.6 of the Government Code.

~~(c) This section shall become inoperative on December 15, 2012, and, as of January 1, 2013, is repealed, only if the Schools and Local Public Safety Protection Act of 2012 (Attorney General reference number 12–0009) is not approved by the voters at the November 6, 2012, statewide general election, or if the provisions of that act that modify personal income tax rates do not become operative due to a conflict with another initiative measure that is approved at the same election and receives a greater number of affirmative votes.~~

SEC. 14. Section 14501 of the Education Code is amended to read:

14501. (a) As used in this chapter, “financial and compliance audit” shall be consistent with the definition provided in the “Standards for Audits of Governmental Organizations, Programs, Activities, and Functions” promulgated by the Comptroller General of the United States. Financial and compliance audits conducted under this chapter shall fulfill federal single audit requirements.

(b) As used in this chapter, “compliance audit” means an audit that ascertains and verifies whether or not funds provided through apportionment, contract, or grant, either federal or state, have been properly disbursed and expended as required by law or regulation or both and includes the verification of each of the following:

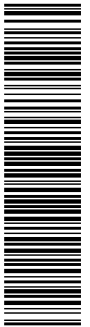
(1) Expenditure of funds in accordance with the local control and accountability plan adopted pursuant to Article 4.5 (commencing with Section ~~52060~~ 52059.5) of Chapter 6.1 of Part 28 of Division 4 of Title 2.

(2) The reporting requirements for the sufficiency of textbooks or instructional materials, or both, as defined in Section 60119.

(3) Teacher misassignments pursuant to Section 44258.9.

(4) The accuracy of information reported on the School Accountability Report Card required by Section 33126. The requirements set forth in paragraphs (2) and (3) and this paragraph shall be added to the audit guide requirements pursuant to subdivision (b) of Section 14502.1.

SEC. 15. Section 17078.54 of the Education Code is amended to read:



17078.54. (a) An eligible project under this article shall include funding, as permitted by this chapter, for new construction or rehabilitation of a school facility for charter school pupils, as set forth in this article. A project may include, but is not limited to, the cost of retrofitting an existing building for charter school purposes, purchasing a building, or retrofitting a building that has been purchased by the charter school, if those costs have not been previously funded under this chapter, but may not exceed the amounts set forth in subdivision (b). Existing school buildings made available by a school district that will be rehabilitated for the purposes of this article are not subject to Article 6 (commencing with Section 17073.10). An allocation of funds shall not be made for a school facility that is less than 15 years old.

(b) The maximum amount of the funding pursuant to this article shall be determined by calculating the charter school's per-pupil grant amount plus other allowable costs as set forth in this chapter. Funding shall be provided by the authority for new facility construction or rehabilitation as set forth in Section 17078.58.

(c) To be funded under this article, a project shall comply with all of the following:

(1) It shall meet all the requirements regarding public school construction, plan approvals, toxic substance review, site selection, and site approval, as would any noncharter school project of a school district under this chapter, including, but not limited to, regulations adopted by the State Architect pursuant to Section 17280.5 relating to the retrofitting of existing buildings, as applicable.

(2) Notwithstanding any provision of law to the contrary, including, but not limited to paragraph (1), the board, after consulting with the relevant regulatory agencies, shall, to the extent feasible, adopt regulations establishing a process for projects to be subject to a streamlined method for obtaining regulatory approvals for all requirements described in paragraph (1), except for the requirements of the Field Act as defined in Section 17281 which shall be complied with in the same manner as any other project under this chapter.

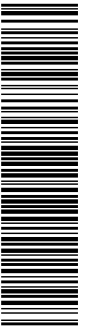
(3) The board shall fund only new construction to be physically located within the geographical jurisdiction of a school district.

(d) Facilities funded pursuant to this article shall have a 50 percent local share matching obligation that may be paid by the applicant through lease payments in lieu of the matching share, or as otherwise set forth in this article, including, but not limited to, Section 17078.58.

(e) The authority may charge its administrative costs against the respective 2002, 2004, or 2006 Charter School Facilities Account, or the amount described in paragraph (2) of subdivision (a) of Section 101122, which shall be subject to the approval of the Department of Finance and which may not exceed 2.5 percent of the ~~account~~ account or amount.

SEC. 16. Section 33127 of the Education Code is amended to read:

33127. (a) The Superintendent, the Controller, and the Director of Finance shall develop, on or before March 1, 1989, standards and criteria to be reviewed and adopted by the state board, and to be used by local educational agencies in the development of annual budgets and the management of subsequent expenditures from that budget. During the development of the standards and criteria, the Superintendent shall convene a committee composed of representatives from school districts, county offices of education, state agencies, the Legislature, and appropriate labor and professional



organizations. The committee may review and comment on the proposal standards and criteria before their adoption. In addition, the standards and criteria shall be used to monitor the fiscal stability of local educational agencies as provided for in Sections 1240.1, 1240.2, 1621, 1623, 33131, 42127, and 42127.1.

(b) The Superintendent, the Controller, and the Director of Finance shall update the standards and criteria developed pursuant to subdivision (a) on or before September 1, 2005. The updated standards and criteria shall be reviewed and adopted pursuant to the procedure established by subdivision (a) and are applicable to local educational agency budgets commencing with the 2006–07 fiscal year and each fiscal year thereafter.

(c) The Superintendent, the Controller, and the Director of Finance shall update the standards and criteria developed pursuant to subdivision (a) on or before January 1, 2014, to address the requirements of Article 4.5 (commencing with Section ~~52060~~ 52059.5) of Chapter 6.1 of Part 28. The updated standards and criteria shall be reviewed and adopted pursuant to the procedure established by subdivision (a) and are applicable to local educational agency budgets commencing with the 2014–15 fiscal year and each fiscal year thereafter.

(d) After January 1, 2014, to the extent necessary, any revisions or updates to the standards and criteria shall be developed by the Superintendent, the Controller, and the Director of Finance pursuant the procedure established by subdivision (a). The revisions or updates shall specify the fiscal year in which the revisions or updates are applicable.

SEC. 17. Section 41020 of the Education Code is amended to read:

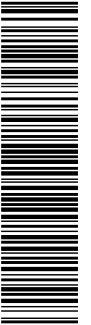
41020. (a) It is the intent of the Legislature to encourage sound fiscal management practices among local educational agencies for the most efficient and effective use of public funds for the education of children in California by strengthening fiscal accountability at the school district, county, and state levels.

(b) (1) Not later than the first day of May of each fiscal year, each county superintendent of schools shall provide for an audit of all funds under his or her jurisdiction and control and the governing board of each local educational agency shall either provide for an audit of the books and accounts of the local educational agency, including an audit of income and expenditures by source of funds, or make arrangements with the county superintendent of schools having jurisdiction over the local educational agency to provide for that auditing.

(2) A contract to perform the audit of a local educational agency that has a disapproved budget or has received a negative certification on any budget or interim financial report during the current fiscal year or either of the two preceding fiscal years, or for which the county superintendent of schools has otherwise determined that a lack of going concern exists, is not valid unless approved by the responsible county superintendent of schools and the governing board.

(3) If the governing board of a local educational agency has not provided for an audit of the books and accounts of the local educational agency by April 1, the county superintendent of schools having jurisdiction over the local educational agency shall provide for the audit of each local educational agency.

(4) An audit conducted pursuant to this section shall comply fully with the Government Auditing Standards issued by the Comptroller General of the United States.



(5) For purposes of this section, “local educational agency” does not include community colleges.

(c) Each audit conducted in accordance with this section shall include all funds of the local educational agency, including the student body and cafeteria funds and accounts and any other funds under the control or jurisdiction of the local educational agency. Each audit shall also include an audit of pupil attendance procedures. Each audit shall include a determination of whether funds were expended pursuant to a local control and accountability plan or an approved annual update to a local control and accountability plan pursuant to Article 4.5 (commencing with Section ~~52060~~ 52059.5) of Chapter 6.1 of Part 28 of Division 4.

(d) All audit reports for each fiscal year shall be developed and reported using a format established by the Controller after consultation with the Superintendent and the Director of Finance.

(e) (1) The cost of the audits provided for by the county superintendent of schools shall be paid from the county school service fund and the county superintendent of schools shall transfer the pro rata share of the cost chargeable to each school district from school district funds.

(2) The cost of the audit provided for by a governing board of a local educational agency shall be paid from local educational agency funds. The audit of the funds under the jurisdiction and control of the county superintendent of schools shall be paid from the county school service fund.

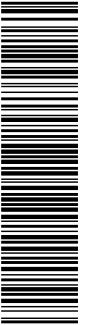
(f) (1) The audits shall be made by a certified public accountant or a public accountant, licensed by the California Board of Accountancy, and selected by the local educational agency, as applicable, from a directory of certified public accountants and public accountants deemed by the Controller as qualified to conduct audits of local educational agencies, which shall be published by the Controller not later than December 31 of each year.

(2) Commencing with the 2003–04 fiscal year and except as provided in subdivision (d) of Section 41320.1, it is unlawful for a public accounting firm to provide audit services to a local educational agency if the lead audit partner, or coordinating audit partner, having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local educational agency in each of the six previous fiscal years. The Education Audits Appeal Panel may waive this requirement if the panel finds that no otherwise eligible auditor is available to perform the audit.

(3) It is the intent of the Legislature that, notwithstanding paragraph (2), the rotation within public accounting firms conform to provisions of the federal Sarbanes-Oxley Act of 2002 (Public Law 107-204; 15 U.S.C. Sec. 7201 et seq.), and upon release of the report required by the act of the Comptroller General of the United States addressing the mandatory rotation of registered public accounting firms, the Legislature intends to reconsider the provisions of paragraph (2). In determining which certified public accountants and public accountants shall be included in the directory, the Controller shall use the following criteria:

(A) The certified public accountants or public accountants shall be in good standing as certified by the Board of Accountancy.

(B) The certified public accountants or public accountants, as a result of a quality control review conducted by the Controller pursuant to Section 14504.2, shall not have



been found to have conducted an audit in a manner constituting noncompliance with subdivision (a) of Section 14503.

(g) (1) The auditor's report shall include each of the following:

(A) A statement that the audit was conducted pursuant to standards and procedures developed in accordance with Chapter 3 (commencing with Section 14500) of Part 9 of Division 1 of Title 1.

(B) A summary of audit exceptions and management improvement recommendations.

(C) Each audit of a local educational agency shall include an evaluation by the auditor on whether there is substantial doubt about the ability of the local educational agency to continue as a going concern for a reasonable period of time. This evaluation shall be based on the Statement on Auditing Standards (SAS) No. 59, as issued by the AICPA regarding disclosure requirements relating to the ability of the entity to continue as a going concern.

(2) To the extent possible, a description of correction or plan of correction shall be incorporated in the audit report, describing the specific actions that are planned to be taken, or that have been taken, to correct the problem identified by the auditor. The descriptions of specific actions to be taken or that have been taken shall not solely consist of general comments such as "will implement," "accepted the recommendation," or "will discuss at a later date."

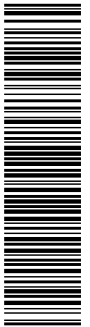
(h) Not later than December 15, a report of each local educational agency audit for the preceding fiscal year shall be filed with the county superintendent of schools of the county in which the local educational agency is located, the department, and the Controller. The Superintendent shall make any adjustments necessary in future apportionments of all state funds, to correct any audit exceptions revealed by those audit reports.

(i) (1) Commencing with the 2002–03 audit of local educational agencies pursuant to this section and subdivision (d) of Section 41320.1, each county superintendent of schools shall be responsible for reviewing the audit exceptions contained in an audit of a local educational agency under his or her jurisdiction related to attendance, inventory of equipment, internal control, and any miscellaneous items, and determining whether the exceptions have been either corrected or an acceptable plan of correction has been developed.

(2) Commencing with the 2004–05 audit of local educational agencies pursuant to this section and subdivision (d) of Section 41320.1, each county superintendent of schools shall include in the review of audit exceptions performed pursuant to this subdivision those audit exceptions related to use of instructional materials program funds, teacher misassignments pursuant to Section 44258.9, information reported on the school accountability report card required pursuant to Section 33126 and shall determine whether the exceptions are either corrected or an acceptable plan of correction has been developed.

(j) Upon submission of the final audit report to the governing board of each local educational agency and subsequent receipt of the audit by the county superintendent of schools having jurisdiction over the local educational agency, the county office of education shall do all of the following:

(1) Review audit exceptions related to attendance, inventory of equipment, internal control, and other miscellaneous exceptions. Attendance exceptions or issues



shall include, but not be limited to, those related to local control funding formula allocations pursuant to Section 42238.02, as implemented by Section 42238.03, and independent study.

(2) If a description of the correction or plan of correction has not been provided as part of the audit required by this section, the county superintendent of schools shall notify the local educational agency and request the governing board of the local educational agency to provide to the county superintendent of schools a description of the corrections or plan of correction by March 15.

(3) Review the description of correction or plan of correction and determine its adequacy. If the description of the correction or plan of correction is not adequate, the county superintendent of schools shall require the local educational agency to resubmit that portion of its response that is inadequate.

(k) Each county superintendent of schools shall certify to the Superintendent and the Controller, not later than May 15, that his or her staff has reviewed all audits of local educational agencies under his or her jurisdiction for the prior fiscal year, that all exceptions that the county superintendent was required to review were reviewed, and that all of those exceptions, except as otherwise noted in the certification, have been corrected by the local educational agency or that an acceptable plan of correction has been submitted to the county superintendent of schools. In addition, the county superintendent shall identify, by local educational agency, any attendance-related audit exception or exceptions involving state funds, and require the local educational agency to which the audit exceptions were directed to submit appropriate reporting forms for processing by the Superintendent.

(l) In the audit of a local educational agency for a subsequent year, the auditor shall review the correction or plan or plans of correction submitted by the local educational agency to determine if the exceptions have been resolved. If not, the auditor shall immediately notify the appropriate county office of education and the department and restate the exception in the audit report. After receiving that notification, the department shall either consult with the local educational agency to resolve the exception or require the county superintendent of schools to follow up with the local educational agency.

(m) (1) The Superintendent is responsible for ensuring that local educational agencies have either corrected or developed plans of correction for any one or more of the following:

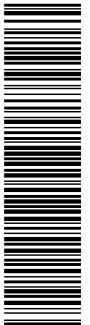
(A) All federal and state compliance audit exceptions identified in the audit.

(B) Exceptions that the county superintendent of schools certifies as of May 15 have not been corrected.

(C) Repeat audit exceptions that are not assigned to a county superintendent of schools to correct.

(2) In addition, the Superintendent is responsible for ensuring that county superintendents of schools and each county board of education that serves as the governing board of a local educational agency either correct all audit exceptions identified in the audits of county superintendents of schools and of the local educational agencies for which the county boards of education serve as the governing boards or develop acceptable plans of correction for those exceptions.

(3) The Superintendent shall report annually to the Controller on his or her actions to ensure that school districts, county superintendents of schools, and each county



board of education that serves as the governing board of a school district have either corrected or developed plans of correction for any of the exceptions noted pursuant to paragraph (1).

(n) To facilitate correction of the exceptions identified by the audits issued pursuant to this section, the Controller shall require auditors to categorize audit exceptions in each audit report in a manner that will make it clear to both the county superintendent of schools and the Superintendent which exceptions they are responsible for ensuring the correction of by a local educational agency. In addition, the Controller annually shall select a sampling of county superintendents of schools and perform a followup of the audit resolution process of those county superintendents of schools and report the results of that followup to the Superintendent and the county superintendents of schools that were reviewed.

(o) County superintendents of schools shall adjust subsequent local property tax requirements to correct audit exceptions relating to local educational agency tax rates and tax revenues.

(p) If a governing board or county superintendent of schools fails or is unable to make satisfactory arrangements for the audit pursuant to this section, the Controller shall make arrangements for the audit and the cost of the audit shall be paid from local educational agency funds or the county school service fund, as the case may be.

(q) Audits of regional occupational centers and programs are subject to this section.

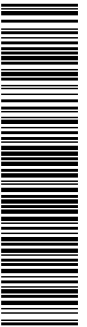
(r) This section does not authorize examination of, or reports on, the curriculum used or provided for in any local educational agency.

(s) Notwithstanding any other law, a nonauditing, management, or other consulting service to be provided to a local educational agency by a certified public accounting firm while the certified public accounting firm is performing an audit of the agency pursuant to this section must be in accord with Government Accounting Standards, Amendment No. 3, as published by the United States General Accounting Office.

SEC. 18. Section 41024 of the Education Code is amended to read:

41024. (a) (1) Commencing April 1, 2017, a local educational agency that receives any funds pursuant to the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1) shall annually report a detailed list of all expenditures of state funds, including interest, and of the local educational agency's matching funds for completed projects until all state funds, including interest, all of the local educational agency's matching funds, and savings achieved, including interest, pursuant to Section 17070.63, are expended in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998, associated regulations, and any accompanying grant agreement signed by a local educational agency. A local educational agency's detailed list of expenditures shall identify expenditures on a project-by-project basis, reflect completed projects that were reimbursed within that fiscal year, and shall clearly indicate the list of projects that have been completed.

(2) For purposes of this section, the determination that a project is complete shall be in accordance with the regulations adopted pursuant to the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1).





(3) The total amount of interest earned on the state funds shall be reported on the final expenditure report upon completion of a project. For the purposes of determining the total amount of interest earned on the state funds, interest shall be considered to accrue from the time state funds are deposited in the local educational agency's account until the time the local educational agency submits the final expenditure report to the Office of Public School Construction.

(4) Commencing April 1, 2017, a local educational agency participating in the school facilities program shall ensure that it retains all financial accounts, documents, and records necessary for an audit of completed projects pursuant to Section 16026 of Title 5 of the California Code of Regulations. For purposes of this paragraph and in compliance with any applicable state and federal standards, a local educational agency may maintain records electronically.

(5) Any project identified on a local educational agency's detailed list of expenditures pursuant to paragraph (1) that is reported complete during the 2017–18 fiscal year shall be audited as part of that local educational agency's audit for the 2018–19 fiscal year. All other completed projects shall be audited as part of the local educational agency's audit for the fiscal year in which the project is reported complete.

(6) The audit described in this section shall be completed within one year of project completion as determined by Section 1859.104 of Title 2 of the California Code of Regulations, as that section read on July 1, 2017.

(b) (1) Commencing with audits of the 2018–19 fiscal year, the Controller shall include instructions in the audit guide required by Section 14502.1 that include, but are not necessarily limited to, procedures for determining all of the following:

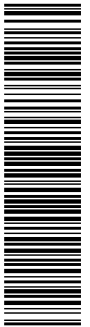
(A) Whether funds identified by a local educational agency on its detailed list of expenditures pursuant to paragraph (1) of subdivision (a) have been expended in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1), associated regulations, and any accompanying grant agreement signed by a local educational agency.

(B) That savings achieved, including interest, pursuant to Section 17070.63, are used for other high priority capital outlay purposes identified by the local educational agency, and in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1), associated regulations, and as specified in any accompanying grant agreement.

(C) Adjustments to the grant amounts received by a local educational agency for site acquisition costs based upon the local educational agency's final approved expenditures as required pursuant to Sections 1859.105 and 1859.106 of Title 2 of the California Code of Regulations, as those sections read on July 1, 2017.

(D) If there are any unspent funds associated with the completion of a Charter School Facilities Program project that must be returned to the Office of Public School Construction as required pursuant to Section 1859.169.1 of Title 2 of the California Code of Regulations, as that section read on July 1, 2017.

(E) If there are any unspent funds associated with the completion of a Career Technical Education Facilities Program project that must be returned to the Office of Public School Construction as required pursuant to Section 1859.199 of Title 2 of the California Code of Regulations, as that section read on July 1, 2017.



(F) If there are any unspent funds associated with the completion of a project, where the local educational agency received hardship funding as described in Sections 1859.81, 1859.81.1, 1859.81.2, and 1859.81.3 of Title 2 of the California Code of Regulations, that must either be returned to the Office of Public School Construction or expended consistent with the requirements pursuant to Section 1859.103 of Title 2 of the California Code of Regulations, as that section read on July 1, 2017.

(G) Adjustments to the grant amounts received by a local educational agency associated with the substantial progress requirements reflected in the program reporting requirements pursuant to Section 1859.104 of Title 2 of the California Code of Regulations, as that section read on July 1, 2017.

(2) Any amounts or adjustments identified pursuant to subparagraphs (C) to (G), inclusive, of paragraph (1) shall be identified within a local educational agency's annual audit, but shall not be considered an audit exception for purposes of this section.

(c) (1) The department shall provide the Office of Public School Construction with a copy of the audit identifying the amounts to be adjusted if, as a result of the audit conducted in accordance with the requirements of subdivisions (a) and (b), any of the following is determined:

(A) A local educational agency has unspent funds for the project not identified as savings pursuant to Section 17070.63, which are therefore required to be returned pursuant to subparagraphs (C) to (G), inclusive, of paragraph (1) of subdivision (b), and any accompanying grant agreement signed by a local educational agency.

(B) A local educational agency is subject to an increase or decrease in funds provided pursuant to subparagraphs (C) to (G), inclusive, of paragraph (1) of subdivision (b), and any accompanying grant agreement signed by a local educational agency.

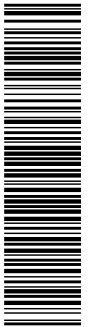
(C) A local educational agency failed to expend funds in accordance with the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1) and any accompanying grant agreement signed by a local educational agency.

(2) Upon receipt of the audit, the Office of Public School Construction shall present any grant adjustments required pursuant to subparagraphs (A) and (B) of paragraph (1) for a specified project to the State Allocation Board for an adjustment to the project apportionment. Funds identified for purposes of subparagraphs (A) and (B) of paragraph (1) shall be apportioned from, or returned to, the appropriate funds, as established in the State Treasury pursuant to Section 17070.40 or 17070.41, as applicable. If a school district is required to return unspent funds, the fund source for returned funds shall be the county school facilities fund identified in subdivision (a) of Section 17070.43.

(3) The auditor conducting the audit pursuant to this section shall notify the department of any audit exceptions identified pursuant to this section and any amounts or adjustments identified pursuant to subparagraph (C) of paragraph (1) consistent with the notification requirements established in subdivision (l) of Section 41020.

(4) A local educational agency may appeal the finding pursuant to the timelines and process established in subdivision (d) of Section 41344. The procedures set out in subdivision (d) of Section 41344.1 do not apply to the audit required by this section.

(5) The department shall ensure that the local educational agency has corrected the audit exception by implementing a required penalty payment of funds equal to the



amount of funds disallowed in the audit exception pursuant to the process specified in subdivision (d).

(d) (1) If, as the result of the audit, a local educational agency is required to pay funds pursuant to subparagraph (C) of paragraph (1) of subdivision (c), the department shall recover the funds from the local educational agency.

(2) If the local educational agency has submitted an appeal to the Education Audit Appeals Panel pursuant to subdivision (d) of Section 41344, the department shall not recover funds until following the determination of the appeal.

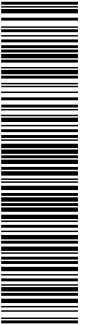
(3) A local educational agency may use any local fund source to pay the disallowed or penalty amount pursuant to subparagraph (C) of paragraph (1) of subdivision (c) so long as there is no legal prohibition regarding the use of those funds for this purpose.

(4) A local educational agency may request from the department a repayment plan within 90 days of receiving the final audit report, or within 30 days of withdrawing or receiving a final determination regarding an appeal pursuant to subdivision (d) of Section 41344 and subdivision (b) of Section 41344.1, as applicable. The department and the Director of Finance, or their designees, jointly shall establish a plan for payment. The payment plan shall be established in accordance with the following:

(A) If the department and the Director of Finance, in consultation with the Executive Officer of the Office of Public School Construction, concur that payment of the penalty in the current fiscal year would constitute a severe financial hardship for the local educational agency, they may jointly approve a plan of equal annual payments over a period of up to eight years. The plan may include interest on each year's outstanding balance at the rate earned on the state's Pooled Money Investment Account during that year. The department and the Director of Finance jointly shall establish this plan. At the time the local educational agency is notified, the Controller also shall be notified of the plan by the department. The Controller shall withhold the annual amount established pursuant to the plan from the local educational agency's principal apportionment or Education Protection Account payments.

(B) Notwithstanding subparagraph (A), if the department and the Director of Finance, in consultation with the Executive Officer of the Office of Public School Construction, concur that payment of the penalty over an eight-year period would require the local educational agency to request an emergency apportionment pursuant to the provisions of Article 2 (commencing with Section 41320) of, and Article 2.5 (commencing with Section 41325) of, Chapter 3, they may approve a plan of equal annual payments over a period of up to 20 years. The plan shall include interest on each year's outstanding balance at the rate earned on the state's Pooled Money Investment Account during that year. The Controller shall withhold the annual amount established pursuant to the plan from the local educational agency's principal apportionment or Education Protection Account payments.

(C) If a payment plan submitted pursuant to this section is not approved by the department and the Director of Finance, in consultation with the Executive Officer of the Office of Public School Construction, or is not requested by the local educational agency, the department shall invoice the local educational agency for the entire disallowed amount. If the local educational agency does not remit payment for the invoice within 120 days of issuance, the department shall request that the Controller



withhold the entire disallowed amount from the local educational agency's principal apportionment or Education Protection Account payments.

(D) (i) Funds recovered by the department or withheld by the Controller pursuant to this section shall be deposited into the appropriate state school facilities fund, as established in the State Treasury pursuant to Section 17070.40 or 17070.41, as applicable.

(ii) Funds remitted to the Office of Public School Construction by a local educational agency from local fund sources, as authorized by paragraph (3), shall be deposited into the appropriate state school facilities fund, as established in the State Treasury pursuant to Section 17070.40 or 17070.41, as applicable.

(e) As used in this section, "audit or review" and "local educational agency" shall have the same meaning as the terms are defined in paragraphs (1) and (2) of subdivision (e) of Section 41344.

(f) The State Allocation Board shall not waive all or any part of this section, any grant agreement or provisions of a grant agreement signed by a local educational agency that receives any funds pursuant to the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1), or any regulation adopted that implements a provision of this section.

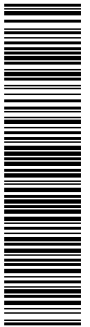
(g) In any appeal filed pursuant to Section 41344 and this section, the Office of Public School Construction, the Department of Finance, and the department may timely move to intervene as a party.

(h) If the Office of Public School Construction chooses not to intervene in an appeal, the administrative law judge conducting the hearing, or the Education Audit Appeals Panel, may request that the Office of Public School Construction issue and file in the appeal an objective interpretation of any applicable law, regulation, or term of the grant agreement within 30 days of the request or such longer period as the administrative law judge or the Education Audit Appeals Panel deems reasonable. The Office of Public School Construction's filing shall not argue or seek to resolve issues of fact, but may state how a particular law, regulation, or grant agreement term applies to competing factual contentions. The agent of the Office of Public School Construction shall be precluded from acting as a party once a request pursuant to this subdivision is made.

(i) Notwithstanding subdivision (a), this section shall not apply to any school facilities project that was apportioned before July 1, 2017.

SEC. 19. Section 41203.1 of the Education Code is amended to read:

41203.1. (a) For the 1990–91 fiscal year and each fiscal year thereafter, allocations calculated pursuant to Section 41203 shall be distributed in accordance with calculations provided in this section. Notwithstanding Section 41203, and for purposes of this section, school districts, community college districts, and direct elementary and secondary level instructional services provided by the State of California shall be regarded as separate segments of public education, and each of these three segments of public education shall be entitled to receive respective shares of the amount calculated pursuant to Section 41203 as though the calculation made pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution were to be applied separately to each segment and the base year for purposes of this calculation under paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution were based on the 1989–90 fiscal year. Calculations made pursuant to



this subdivision shall be made so that each segment of public education is entitled to the greater of the amounts calculated for that segment pursuant to paragraph (1) or (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution.

(b) If the single calculation made pursuant to Section 41203 yields a guaranteed amount of funding that is less than the sum of the amounts calculated pursuant to subdivision (a), the amount calculated pursuant to Section 41203 shall be prorated for the three segments of public education.

(c) Notwithstanding any other law, this section does not apply to the 1992–93 to the ~~2017–18~~ 2018–19 fiscal years, inclusive.

SEC. 20. Section 41326 of the Education Code is amended to read:

41326. (a) Notwithstanding any other provision of this code, the acceptance by a school district of an apportionment made pursuant to Section 41320 that exceeds an amount equal to 200 percent of the amount of the reserve recommended for that school district under the standards and criteria adopted pursuant to Section 33127 constitutes the agreement by the school district to the conditions set forth in this article. Before applying for an emergency apportionment in the amount identified in this subdivision, the governing board of a school district shall discuss the need for that apportionment at a regular or special meeting of the governing board of the school district and, at that meeting, shall receive testimony regarding the apportionment from parents, exclusive representatives of employees of the school district, and other members of the community. For purposes of this article, “qualifying school district” means a school district that accepts a loan as described in this subdivision.

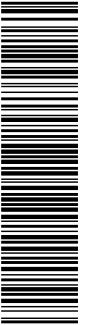
(b) The Superintendent shall assume all the legal rights, duties, and powers of the governing board of a qualifying school district. The Superintendent, in consultation with the county superintendent of schools, shall appoint an administrator to act on his or her behalf in exercising the authority described in this subdivision in accordance with all of the following:

(1) The administrator shall serve under the direction and supervision of the Superintendent until terminated by the Superintendent at his or her discretion. The Superintendent shall consult with the county superintendent of schools before terminating the administrator.

(2) The administrator shall have recognized expertise in management and finance.

(3) To facilitate the appointment of the administrator and the employment of necessary staff, for purposes of this section, the Superintendent is exempt from the requirements of Article 6 (commencing with Section 999) of Chapter 6 of Division 4 of the Military and Veterans Code and Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code.

(4) Notwithstanding any other law, the Superintendent may appoint an employee of the state or the office of the county superintendent of schools to act as administrator for up to the duration of the administratorship. During the tenure of his or her appointment, the administrator, if he or she is an employee of the state or the office of the county superintendent of schools, is an employee of the qualifying school district, but shall remain in the same retirement system under the same plan that has been provided by his or her employment with the state or the office of the county superintendent of schools. Upon the expiration or termination of the appointment, the employee shall have the right to return to his or her former position, or to a position at substantially the same level as that position, with the state or the office of the county



superintendent of schools. The time served in the appointment shall be counted for all purposes as if the administrator had served that time in his or her former position with the state or the office of the county superintendent of schools.

(5) Except for an individual appointed as an administrator by the Superintendent pursuant to paragraph (4), the administrator shall be a member of the State Teachers' Retirement System, if qualified, for the period of service as administrator, unless he or she elects in writing not to become a member. A person who is a member or retirant of the State Teachers' Retirement System at the time of appointment shall continue to be a member or retirant of the system for the duration of the appointment. If the administrator chooses to become a member or is already a member, the administrator shall be placed on the payroll of the qualifying school district for purposes of providing appropriate contributions to the system. The Superintendent may also require the administrator to be placed on the payroll of the qualifying school district for purposes of remuneration, other benefits, and payroll deductions.

(6) For purposes of workers' compensation benefits, the administrator is an employee of the qualifying school district, except that an administrator appointed pursuant to paragraph (4) may be deemed an employee of the state or office of the county superintendent of schools, as applicable.

(7) The qualifying school district shall add the administrator as a covered employee of the qualifying school district for all purposes of errors and omissions liability insurance policies.

(8) The salary and benefits of the administrator shall be established by the Superintendent and paid by the qualifying school district.

(9) The Superintendent or the administrator may employ, on a short-term basis and at the expense of the qualifying school district, any staff necessary to assist the administrator, including, but not limited to, a certified public accountant.

(10) The administrator may do all of the following:

(A) Implement substantial changes in the fiscal policies and practices of the qualifying school district, including, if necessary, the filing of a petition under Chapter 9 (commencing with Section 901) of Title 11 of the United States Code for the adjustment of indebtedness.

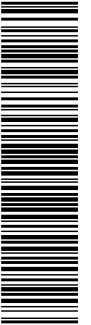
(B) Revise the educational program of the qualifying school district to reflect realistic income projections and pupil performance relative to state standards.

(C) Encourage all members of the school community to accept a fair share of the burden of the fiscal recovery of the qualifying school district.

(D) Consult, for the purposes described in this subdivision, with the governing board of the qualifying school district, the exclusive representatives of the employees of the qualifying school district, parents, and the community.

(E) Consult with, and seek recommendations from, the Superintendent, the county superintendent of schools, and the County Office Fiscal Crisis and Management Assistance Team authorized pursuant to subdivision (c) of Section 42127.8 for purposes described in this article.

(F) With the approval of the Superintendent, enter into agreements on behalf of the qualifying school district and, subject to any contractual obligation of the qualifying school district, change existing school district rules, regulations, policies, or practices as necessary for the effective implementation of the recovery plans referred to in Sections 41327 and 41327.1.



(G) Request the advice and assistance of the California Collaborative for Educational Excellence pursuant to paragraph (1) of subdivision (f) of Section 52074. Excellence.

(c) (1) Except as provided for in paragraph (2), the period of time during which the Superintendent exercises the authority described in subdivision (b), the governing board of the qualifying school district shall serve as an advisory body reporting to the state-appointed administrator, and has no rights, duties, or powers, and is not entitled to any stipend, benefits, or other compensation from the qualifying school district.

(2) (A) After one complete fiscal year has elapsed following the qualifying school district's acceptance of an emergency apportionment, the governing board of the qualifying school district may conduct an annual advisory evaluation of an administrator for the duration of the administratorship.

(B) An advisory evaluation of an administrator shall focus on the administrator's effectiveness in leading the qualifying school district toward fiscal recovery and improved academic achievement. Advisory evaluation criteria shall be agreed upon by the governing board of the qualifying school district and the administrator before the advisory evaluation. The advisory evaluation shall include, but not be limited to, all of the following:

(i) Goals and standards consistent with Section 41327.1.

(ii) Commendations in the areas of the administrator's strengths and achievements.

(iii) Recommendations for improving the administrator's effectiveness in areas of concern and unsatisfactory performance.

(C) An advisory evaluation of an administrator conducted by the governing board of a qualifying school district shall be submitted to the Governor, the Legislature, the Superintendent, and the County Office Fiscal Crisis and Management Assistance Team.

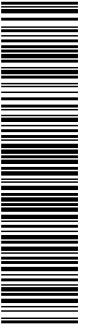
(3) Upon the appointment of an administrator pursuant to this section, the district superintendent of schools is no longer an employee of the qualifying school district.

(4) A determination of the severance compensation for the district superintendent of schools shall be made pursuant to subdivision (j).

(d) Notwithstanding Section 35031 or any other law, the administrator, after according the affected employee reasonable notice and the opportunity for a hearing, may terminate the employment of a deputy, associate, assistant superintendent, or other school district level administrator who is employed by a qualifying school district under a contract of employment signed or renewed after January 1, 1992, if the employee fails to document, to the satisfaction of the administrator, that before the date of the acceptance of the emergency apportionment he or she either advised the governing board of the qualifying school district, or his or her superior, that actions contemplated or taken by the governing board of the qualifying school district could result in the fiscal insolvency of the qualifying school district, or took other appropriate action to avert that fiscal insolvency.

(e) The authority of the Superintendent, and the administrator, under this section shall continue until all of the following occur:

(1) (A) After one complete fiscal year has elapsed following the qualifying school district's acceptance of an emergency apportionment as described in subdivision (a), the administrator determines, and so notifies the Superintendent and the county



superintendent of schools, that future compliance by the qualifying school district with the recovery plans approved pursuant to paragraph (2) is probable.

(B) The Superintendent may return power to the governing board of the qualifying school district for an area listed in subdivision (a) of Section 41327.1 if performance under the recovery plan for that area has been demonstrated to the satisfaction of the Superintendent.

(2) The Superintendent has approved all of the recovery plans referred to in subdivision (a) of Section 41327 and the County Office Fiscal Crisis and Management Assistance Team completes the improvement plans specified in Section 41327.1 and has completed a minimum of two reports identifying the qualifying school district's progress in implementing the improvement plans.

(3) The administrator certifies that all necessary collective bargaining agreements have been negotiated and ratified, and that the agreements are consistent with the terms of the recovery plans.

(4) The qualifying school district has completed all reports required by the Superintendent and the administrator.

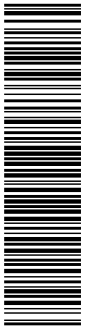
(5) The Superintendent determines that future compliance by the qualifying school district with the recovery plans approved pursuant to paragraph (2) is probable.

(f) When the conditions stated in subdivision (e) have been met, and at least 60 days after the Superintendent has notified the Legislature, the Department of Finance, the Controller, and the county superintendent of schools that he or she expects the conditions prescribed pursuant to this section to be met, the governing board of the qualifying school district shall regain all of its legal rights, duties, and powers, except for the powers held by the trustee provided for pursuant to Article 2 (commencing with Section 41320). The Superintendent shall appoint a trustee under Section 41320.1 to monitor and review the operations of the qualifying school district until the conditions of subdivision (b) of that section have been met.

(g) Notwithstanding subdivision (f), if the qualifying school district violates a provision of the recovery plans approved by the Superintendent pursuant to this article within five years after the trustee appointed pursuant to Section 41320.1 is removed or after the emergency apportionment is repaid, whichever occurs later, or the improvement plans specified in Section 41327.1 during the period of the trustee's appointment, the Superintendent may reassume, either directly or through an administrator appointed in accordance with this section, all of the legal rights, duties, and powers of the governing board of the qualifying school district. The Superintendent shall return to the governing board of the qualifying school district all of its legal rights, duties, and powers reassumed under this subdivision when he or she determines that future compliance with the approved recovery plans is probable, or after a period of one year, whichever occurs later.

(h) Article 2 (commencing with Section 41320) shall apply except as otherwise specified in this article.

(i) It is the intent of the Legislature that the legislative budget subcommittees annually conduct a review of each qualifying school district that includes an evaluation of the financial condition of the qualifying school district, the impact of the recovery plans upon the qualifying school district's educational program, and the efforts made by the state-appointed administrator to obtain input from the community and the governing board of the qualifying school district.





(j) (1) The district superintendent of schools is entitled to a due process hearing for purposes of determining final compensation. The final compensation of the district superintendent of schools shall be between zero and six times his or her monthly salary. The outcome of the due process hearing shall be reported to the Superintendent and the public. The information provided to the public shall explain the rationale for the compensation.

(2) This subdivision applies only to a contract for employment negotiated on or after June 21, 2004.

(k) (1) When the Superintendent assumes control over a qualifying school district pursuant to subdivision (b), he or she shall, in consultation with the County Office Fiscal Crisis and Management Assistance Team, review the fiscal oversight of the qualifying school district by the county superintendent of schools. The Superintendent may consult with other fiscal experts, including other county superintendents of schools and regional fiscal teams, in conducting this review.

(2) Within three months of assuming control over a qualifying school district, the Superintendent shall report his or her findings to the Legislature and shall provide a copy of that report to the Department of Finance. This report shall include findings as to fiscal oversight actions that were or were not taken and may include recommendations as to an appropriate legislative response to improve fiscal oversight.

(3) If, after performing the duties described in paragraphs (1) and (2), the Superintendent determines that the county superintendent of schools failed to carry out his or her responsibilities for fiscal oversight as required by this code, the Superintendent may exercise the authority of the county superintendent of schools who has oversight responsibilities for a qualifying school district. If the Superintendent finds, based on the report required in paragraph (2), that the county superintendent of schools failed to appropriately take into account particular types of indicators of financial distress, or failed to take appropriate remedial actions in the qualifying school district, the Superintendent shall further investigate whether the county superintendent of schools failed to take into account those indicators, or similarly failed to take appropriate actions in other school districts with negative or qualified certifications.

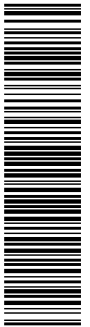
SEC. 21. Section 41339.2 is added to the Education Code, to read:

41339.2. Commencing with the first fiscal year after subdivision (g) of Section 42238.03 applies, the Superintendent, within three business days of the first principal, second principal, and annual apportionments for each fiscal year, shall publish on the department's Internet Web site the amount of a county office of education's, school district's, or charter school's supplemental and concentration grants calculated pursuant to subdivision (c) of Section 2574 or subdivisions (e) and (f) of Section 42238.02.

SEC. 22. Section 41344.1 of the Education Code is amended to read:

41344.1. (a) The Education Audit Appeals Panel is hereby established as a separate state agency. Its membership shall consist of the Superintendent, the Director of the Department of Finance, and the Chief Executive Officer of the Fiscal Crisis and Management Assistance Team established pursuant to Section 42127.8 or their designees. The panel shall have the authority to expend funds, hire staff, make contracts, sue and be sued, and issue regulations in furtherance of its duties.

(b) The panel shall hear appeals filed pursuant to subdivision (d) of Section 41344. The Controller and the Department of Finance shall be a party to all appeals. The department ~~and the Department of Finance~~ may, at their ~~its~~ election, timely



intervene as a party in any appeal. The panel shall consider audit appeals pursuant to the administrative adjudication provisions of the Administrative Procedure Act (Chapter 4.5 (commencing with Section 11400) and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code), except that it may adopt regulations specifying special pleadings that shall govern audit appeals. The panel may approve settlements and make findings of fact and interpretations of law.

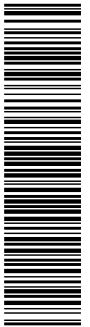
(c) Compliance with all legal requirements is a condition to the state's obligation to make apportionments. A condition may be deemed satisfied if the panel finds there has been compliance or substantial compliance with all legal requirements. "Substantial compliance" means nearly complete satisfaction of all material requirements of a funding program that provide an educational benefit substantially consistent with the program's purpose. A minor or inadvertent noncompliance may be grounds for a finding of substantial compliance provided that the local educational agency can demonstrate it acted in good faith to comply with the conditions established in law or regulation necessary for apportionment of funding. The panel may further define "substantial compliance" by issuing regulations or through adjudicative opinions, or both. If the panel finds there has been substantial compliance, the panel may waive or reduce the reimbursement or penalty amount and may also order other remedial measures sufficient to induce full compliance in the future. Other remedial measures may include restoration of a reduction or penalty amount if full compliance is not rendered in the future, ordering special audits, and requiring special training.

(d) In addition to the normal appeal process specified above, there is hereby created a voluntary, informal, summary appeals process for noncompliant audit exceptions that clearly constitute substantial compliance as that term is defined in subdivision (c). Requests for summary review shall be made to the executive officer of the panel who may seek comment from the Department of Finance or Superintendent. Summary review shall be sought within 30 days of the date on which a local educational agency receives a final audit report resulting from an audit or review.

(1) If the executive officer concludes the conditions for finding substantial compliance are not clearly met or involve substantial questions of fact, the executive officer may deny the request for summary review and the appellant may pursue its claim through the normal appeal process.

(2) For appeals in which the total audit exceptions for full repayment or penalty constitute less than 150 units of average daily attendance or seven hundred fifty thousand dollars (\$750,000), whichever is less, the executive officer may waive or reduce the reimbursement or penalty upon a finding of substantial compliance and that other remedial measures are sufficient to induce full compliance in the future.

(3) For appeals in which the total audit exceptions for full repayment or penalty meet or exceed 150 units of average daily attendance or seven hundred fifty thousand dollars (\$750,000), whichever is greater, the executive officer may waive or reduce the reimbursement or penalty upon a finding of substantial compliance and order other remedial measures that are sufficient to induce full compliance in the future, if he or she has the written approval of the Department of Finance and the Superintendent. The executive officer shall provide the details of the proposed settlement and the rationale in writing to the Department of Finance and Superintendent and allow at least 30 days for their review.



(4) The right to appeal pursuant to subdivision (d) of Section 41344 is independent of this subdivision and an appellant may pursue his or her appeal under subdivision (b) regardless of the result under this subdivision. A local educational agency that has unresolved audit appeals pursuant to subdivision (d) of Section 41344 pending on January 1, 2003, may file a request for summary review under this subdivision for a period of 60 days after January 1, 2003.

SEC. 23. Section 41376.1 of the Education Code is amended to read:

41376.1. (a) Commencing with the 2013–14 fiscal year, until the Superintendent determines that a school district is funded pursuant to Section ~~42238.02 in the prior fiscal year, 42238.02,~~ and notwithstanding the requirement to decrease average daily attendance pursuant to paragraphs (4), (5), and (6) of subdivision (a) of Section 41376 and subdivision (e) of Section 41378, the Superintendent shall compute a reduction to the school district local control funding formula entitlement pursuant to Section 42238.02, as implemented by Section 42238.03, for the specified school year by the sum of the following:

(1) (A) Multiply the sum of the products obtained in subdivision (e) of Section 41378 and paragraph (4) of subdivision (a) of Section 41376 by the grade span adjusted base grant specified in subparagraph (A) of paragraph (1) of subdivision (d) of Section 42238.02, as annually adjusted for cost of living pursuant to paragraph (2) of subdivision (d) of Section 42238.02.

(B) Multiply the product obtained in subparagraph (A) by the sum of the entitlements computed pursuant to paragraphs (1) to (4), inclusive, of subdivision (a) of Section 42238.03 and paragraph (3) of subdivision (b) of Section 42238.03 for all school districts, divided by the sum of the local control funding formula entitlements computed pursuant to Section 42238.02 for all school districts.

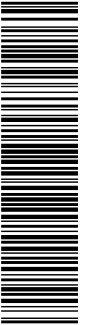
(2) (A) Multiply the product obtained pursuant to paragraph (5) of subdivision (a) of Section 41376 by the average daily attendance for grades 4 to 6, inclusive, reported by the school district pursuant to Section 41601 for the specified school year divided by the average daily attendance for grades 4 to 8, inclusive, reported by the school district pursuant to Section 41601 for the specified school year.

(B) Multiply the product obtained in subparagraph (A) by the grade span adjusted base grant specified in subparagraph (B) of paragraph (1) of subdivision (d) of Section 42238.02, as annually adjusted for cost of living pursuant to paragraph (2) of subdivision (d) of Section 42238.02.

(C) Multiply the product obtained in subparagraph (B) by the sum of the entitlements computed pursuant to paragraphs (1) to (4), inclusive, of subdivision (a) of Section 42238.03 and paragraph (3) of subdivision (b) of Section 42238.03 for all school districts, divided by the sum of the local control funding formula entitlements computed pursuant to Section 42238.02 for all school districts.

(3) (A) Multiply the product obtained pursuant to paragraph (5) of subdivision (a) of Section 41376 by the average daily attendance for grades 7 and 8 reported by the school district pursuant to Section 41601 for the specified school year divided by the average daily attendance for grades 4 to 8, inclusive, reported by the school district pursuant to Section 41601 for the specified school year.

(B) Multiply the product obtained in subparagraph (A) by the grade span adjusted base grant specified in subparagraph (C) of paragraph (1) of subdivision (d) of Section



42238.02, as annually adjusted for cost of living pursuant to paragraph (2) of subdivision (d) of Section 42238.02.

(C) Multiply the product obtained in subparagraph (B) by the sum of the entitlements computed pursuant to paragraphs (1) to (4), inclusive, of subdivision (a) of Section 42238.03 and paragraph (3) of subdivision (b) of Section 42238.03 for all school districts, divided by the sum of the local control funding formula entitlements computed pursuant to Section 42238.02 for all school districts.

(b) Commencing with the 2013–14 fiscal year, if the Superintendent determines that a school district is funded pursuant to ~~Section 42238.02 in the prior fiscal year, 42238.02,~~ and notwithstanding the requirement to decrease average daily attendance pursuant to paragraphs (4), (5), and (6) of subdivision (a) of Section 41376 and subdivision (e) of Section 41378, the Superintendent shall compute a reduction to the school district local control funding formula entitlement pursuant to Section 42238.02 for the specified school year by the sum of the following:

(1) Multiply the sum of the products obtained in subdivision (e) of Section 41378 and paragraph (4) of subdivision (a) of Section 41376 by the grade span adjusted base grant specified in subparagraph (A) of paragraph (1) of subdivision (d) of Section 42238.02, as annually adjusted for cost of living pursuant to paragraph (2) of subdivision (d) of Section 42238.02.

(2) (A) Multiply the product obtained pursuant to paragraph (5) of subdivision (a) of Section 41376 by the average daily attendance for grades 4 to 6, inclusive, reported by the school district pursuant to Section 41601 for the specified school year divided by the average daily attendance for grades 4 to 8, inclusive, reported by the school district pursuant to Section 41601 for the specified school year.

(B) Multiply the product obtained in subparagraph (A) by the grade span adjusted base grant specified in subparagraph (B) of paragraph (1) of subdivision (d) of Section 42238.02, as annually adjusted for cost of living pursuant to paragraph (2) of subdivision (d) of Section 42238.02.

(3) (A) Multiply the product obtained pursuant to paragraph (5) of subdivision (a) of Section 41376 by the average daily attendance for grades 7 and 8 reported by the school district pursuant to Section 41601 for the specified school year divided by the average daily attendance for grades 4 to 8, inclusive, reported by the school district pursuant to Section 41601 for the specified school year.

(B) Multiply the product obtained in subparagraph (A) by the grade span adjusted base grant specified in subparagraph (C) of paragraph (1) of subdivision (d) of Section 42238.02, as annually adjusted for cost of living pursuant to paragraph (2) of subdivision (d) of Section 42238.02.

SEC. 24. Section 41544 of the Education Code is amended to read:

41544. (a) For a basic aid school district that was entitled to reimbursement pursuant to former Section 42247.4, as that section read on January 1, 2001, and that received an apportionment pursuant to subdivision (h) of former Section 42247.4, as that section read on January 1, 2001, because a court order directs pupils to transfer to that school district as part of the court-ordered voluntary pupil transfer program, the Superintendent, from the 2001–02 fiscal year to the 2012–13 fiscal year, inclusive, shall calculate an apportionment of state funds for that basic aid school district that provides 70 percent of the school district revenue limit calculated pursuant to former Section 42238, as that section read on January 1, 2013, that would have been



apportioned to the school district from which the pupils were transferred for the average daily attendance of any pupils credited under that court order who did not attend the basic aid school district before the 1995–96 fiscal year.

(b) (1) For a basic aid school district that was entitled to reimbursement pursuant to former Section 42247.4, as that section read on January 1, 2001, and that received an apportionment pursuant to subdivision (h) of former Section 42247.4, as that section read on January 1, 2001, because a court order directs pupils to transfer to that school district as part of the court-ordered voluntary pupil transfer program, the Superintendent, commencing with the 2013–14 fiscal year, shall calculate an apportionment of state funds for that basic aid school district that provides 70 percent of the school district local control funding formula base grant calculated pursuant to subdivision (d) of Section 42238.02, as implemented by Section 42238.03, that would have been apportioned to the school district from which the pupils were transferred for the average daily attendance of any pupils credited under that court order who did not attend the basic aid school district before the 1995–96 fiscal year.

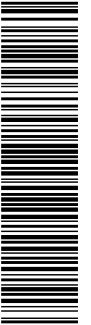
(2) Notwithstanding paragraph (1), until the Superintendent determines that the school district from which the pupil or pupils were transferred is funded pursuant to ~~Section 42238.02 in the prior fiscal year, 42238.02,~~ the Superintendent shall apportion, for average daily attendance credited pursuant to paragraph (1), the lesser of the amount calculated pursuant to paragraph (1) or 70 percent of the sum of the entitlements for the school district from which the pupil or pupils were transferred for the specified fiscal year as computed pursuant to paragraphs (1) to (4), inclusive, of subdivision (a), and paragraph (3) of subdivision (b), of Section 42238.03, divided by the average daily attendance of that school district for that fiscal year and then multiplied by the ratio of local control funding formula base grant funding computed pursuant to subdivision (d) of Section 42238.02 to the local control funding formula amount for that fiscal year computed pursuant to Section 42238.02.

(3) If the entitlements for the school district from which the pupil or pupils were transferred computed pursuant to paragraphs (1) to (4), inclusive, of subdivision (a), and paragraph (3) of subdivision (b), of Section 42238.03, include funding calculated pursuant to Article 4 (commencing with Section 42280) of Chapter 7 for a fiscal year, paragraph (2) shall not apply and the apportionment of state funds for the average daily attendance credited pursuant to this section for that fiscal year shall be calculated pursuant to paragraph (1).

(c) For purposes of subdivision (b), “basic aid school district” means a school district that does not receive from the state, for any fiscal year in which this section is applied, an apportionment of state funds pursuant to subdivision (o) of Section 42238.02.

SEC. 25. Section 42122 of the Education Code is amended to read:

42122. (a) Effective July 1, 1988, each budget shall show a complete plan and itemized statement of all proposed expenditures of the school district and of all estimated revenues for the ensuing fiscal year, together with a comparison of revenues and expenditures for the existing fiscal year. The budget shall also include the appropriations limit and the total annual appropriations subject to limitation as determined pursuant to Division 9 (commencing with Section 7900) of Title 1 of the Government Code. The county superintendent of schools shall from his or her own records supply to the school district any information that the school district may need to make the comparisons required by this section.



(b) (1) Effective July 1, 2019, each budget shall include a summary document that shall be known as the local control funding formula budget overview for parents. The governing board of a school district shall ensure that the local control funding formula budget overview for parents is considered as part of the adoption of the local control and accountability plan or annual update pursuant to Section 52062.

(2) The local control funding formula budget overview for parents shall include all of the following information:

(A) The school district's total projected general fund revenue for the ensuing fiscal year and the subtotals for each of the following categories:

(i) Funds apportioned under the local control funding formula pursuant to Section 42238.02.

(ii) Of the funds described in clause (i), the funds apportioned for increased or improved services for unduplicated pupils pursuant to Section 42238.07.

(iii) All other state funds.

(iv) All local funds.

(v) All federal funds.

(B) The school district's total projected general fund expenditures for the ensuing fiscal year.

(C) The total budgeted expenditures for the ensuing fiscal year on the planned actions and services to meet the goals included in the school district's local control and accountability plan adopted pursuant to Section 52060.

(D) The total budgeted expenditures for the ensuing fiscal year on the planned actions and services included in the school district's local control and accountability plan adopted pursuant to Section 52060 that contribute to the increased or improved services for unduplicated pupils pursuant to Section 42238.07.

(E) The total budgeted expenditures for the current fiscal year on the planned actions and services included in the school district's local control and accountability plan adopted pursuant to Section 52060 that contribute to the increased or improved services for unduplicated pupils pursuant to Section 42238.07.

(F) The estimated actual expenditures for the current fiscal year on the planned actions and services included in the school district's local control and accountability plan adopted pursuant to Section 52060 that contribute to the increased or improved services for unduplicated pupils pursuant to Section 42238.07.

(G) A brief description of the activities or programs supported by any expenditures in subparagraph (B) that are not included in subparagraph (C).

(H) To the extent there is any difference between the expenditures in subparagraph (D) and the revenue in clause (ii) of subparagraph (A), a brief description of how the actions and services included in the school district's local control and accountability plan adopted pursuant to Section 52060 improve services for unduplicated pupils pursuant to Section 42238.07.

(I) A brief description of how any difference between the expenditures in subparagraph (E) and the expenditures in subparagraph (F) impacted the planned actions and services included in the school district's local control and accountability plan adopted pursuant to Section 52060 that contribute to the increased or improved services for unduplicated pupils pursuant to Section 42238.07 and the overall increased or improved services for unduplicated pupils pursuant to Section 42238.07.



(3) The Superintendent, subject to approval by the executive director of the state board, shall develop a template for the local control funding formula budget overview for parents on or before January 30, 2019. In developing the template, the Superintendent shall not require school districts to provide any information in addition to the information required pursuant to paragraph (2).

(4) The template for the local control funding formula budget overview for parents developed pursuant to paragraph (3) shall, to the greatest extent practicable, use language that is understandable and accessible to parents and guardians. The information specified in paragraph (2) shall be displayed, to the greatest extent practicable, using visuals and graphics.

SEC. 26. Section 42238 of the Education Code is amended to read:

42238. (a) For the 1984–85 fiscal year and each fiscal year thereafter, the county superintendent of schools shall determine a revenue limit for each school district in the county pursuant to this section.

(b) The base revenue limit for a fiscal year shall be determined by adding to the base revenue limit for the prior fiscal year the following amounts:

(1) The inflation adjustment specified in Section 42238.1.

(2) For the 1995–96 fiscal year, the equalization adjustment specified in Section 42238.4.

(3) For the 1996–97 fiscal year, the equalization adjustments specified in Sections 42238.41, 42238.42, and 42238.43.

(4) For the 1985–86 fiscal year, the amount per unit of average daily attendance received in the 1984–85 fiscal year pursuant to Section 42238.7.

(5) For the 1985–86, 1986–87, and 1987–88 fiscal years, the amount per unit of average daily attendance received in the prior fiscal year pursuant to Section 42238.8.

(6) For the 2004–05 fiscal year, the equalization adjustment specified in Section 42238.44.

(7) For the 2006–07 fiscal year, the equalization adjustment specified in Section 42238.48.

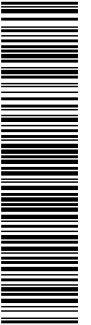
(8) For the 2011–12 fiscal year, the equalization adjustment specified in Section 42238.49.

(c) (1) (A) For the 2010–11 fiscal year, the Superintendent shall compute an add-on for each school district by adding the inflation adjustment specified in Section 42238.1 to the adjustment specified in Section 42238.485.

(B) For the 2011–12 fiscal year and each fiscal year thereafter, the Superintendent shall compute an add-on for each school district by adding the inflation adjustment specified in Section 42238.1 to the amount computed pursuant to this paragraph for the prior fiscal year.

(2) Commencing with the 2010–11 fiscal year, the Superintendent shall compute an add-on for each school district by dividing each school district's fiscal year average daily attendance computed pursuant to Section 42238.5 by the total adjustments in funding for each school district made for the 2007–08 fiscal year pursuant to Section 42238.22 as it read on January 1, 2009.

(d) The sum of the base revenue limit computed pursuant to subdivision (b) and the add-on computed pursuant to subdivision (c) shall be multiplied by the school district average daily attendance computed pursuant to Section 42238.5.



(e) For school districts electing to compute units of average daily attendance pursuant to paragraph (2) of subdivision (a) of Section 42238.5, the amount computed pursuant to Article 4 (commencing with Section 42280) shall be added to the amount computed in subdivision (c) or (d), as appropriate.

(f) For the 1984–85 fiscal year only, the county superintendent of schools shall reduce the total revenue limit computed in this section by the amount of the decreased employer contributions to the Public Employees' Retirement System resulting from enactment of Chapter 330 of the Statutes of 1982, offset by any increase in those contributions, as of the 1983–84 fiscal year, resulting from subsequent changes in employer contribution rates.

(g) The reduction required by subdivision (f) shall be calculated as follows:

(1) Determine the amount of employer contributions that would have been made in the 1983–84 fiscal year if the applicable Public Employees' Retirement System employer contribution rate in effect immediately before the enactment of Chapter 330 of the Statutes of 1982 was in effect during the 1983–84 fiscal year.

(2) Subtract from the amount determined in paragraph (1) the greater of subparagraph (A) or (B):

(A) The amount of employer contributions that would have been made in the 1983–84 fiscal year if the applicable Public Employees' Retirement System employer contribution rate in effect immediately after the enactment of Chapter 330 of the Statutes of 1982 was in effect during the 1983–84 fiscal year.

(B) The actual amount of employer contributions made to the Public Employees' Retirement System in the 1983–84 fiscal year.

(3) For purposes of this subdivision, employer contributions to the Public Employees' Retirement System for either of the following shall be excluded from the calculation specified above:

(A) Positions supported totally by federal funds that were subject to supplanting restrictions.

(B) Positions supported, to the extent of employer contributions not exceeding twenty-five thousand dollars (\$25,000) by a single educational agency, from a revenue source determined on the basis of equity to be properly excludable from the provisions of this subdivision by the Superintendent with the approval of the Director of Finance.

(4) For accounting purposes, the reduction made by this subdivision may be reflected as an expenditure from appropriate sources of revenue as directed by the Superintendent.

(h) The Superintendent shall apportion to each school district the amount determined in this section less the sum of:

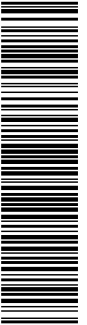
(1) The school district's property tax revenue received pursuant to Chapter 3.5 (commencing with Section 75) and Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code.

(2) The amount, if any, received pursuant to Part 18.5 (commencing with Section 38101) of Division 2 of the Revenue and Taxation Code.

(3) The amount, if any, received pursuant to Chapter 3 (commencing with Section 16140) of Part 1 of Division 4 of Title 2 of the Government Code.

(4) Prior years' taxes and taxes on the unsecured roll.

(5) Fifty percent of the amount received pursuant to Section 41603.





(6) (A) The amount, if any, received pursuant to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code), except for any amount received pursuant to Section 33401 or 33676 of the Health and Safety Code that is used for land acquisition, facility construction, facility reconstruction, facility remodeling, maintenance, or deferred maintenance, and except for any amount received pursuant to Section 33492.15 of, paragraph (4) of subdivision (a) of Section 33607.5 of, or Section 33607.7 of, the Health and Safety Code that is allocated exclusively for educational facilities.

(B) The amount, if any, received pursuant to Sections 34177, 34179.5, 34179.6, and 34188 of the Health and Safety Code.

(C) The amount, if any, received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.

(7) For a unified school district, other than a unified school district that has converted all of its schools to charter status pursuant to Section 47606, the amount of statewide average general-purpose funding per unit of average daily attendance received by school districts for each of four grade level ranges, as computed by the department pursuant to Section 47633, multiplied by the average daily attendance, in corresponding grade level ranges, of any pupils who attend charter schools funded pursuant to Chapter 6 (commencing with Section 47630) of Part 26.8 of Division 4 for which the school district is the sponsoring local educational agency, as defined in Section 47632, and who reside in and would otherwise have been eligible to attend a noncharter school of the school district.

(i) A transfer of pupils of grades 7 and 8 between an elementary school district and a high school district shall not result in the receiving school district receiving a revenue limit apportionment for those pupils that exceeds 105 percent of the statewide average revenue limit for the type and size of the receiving school district.

(j) Commencing with the 2013–14 fiscal year, this section shall be used only for purposes of allocating revenues received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.

(k) This section shall become inoperative on July 1, ~~2021~~, 2033, and, as of January 1, ~~2022~~, 2034, is repealed, unless a later enacted statute, that becomes operative on or before January 1, ~~2022~~, 2034, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 27. Section 42238.02 of the Education Code is amended to read:

42238.02. (a) The amount computed pursuant to this section shall be known as the school district and charter school local control funding formula.

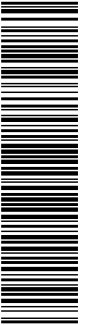
(b) (1) For purposes of this section “unduplicated pupil” means a pupil enrolled in a school district or a charter school who is either classified as an English learner, eligible for a free or reduced-price meal, or is a foster youth. A pupil shall be counted only once for purposes of this section if any of the following apply:

(A) The pupil is classified as an English learner and is eligible for a free or reduced-price meal.

(B) The pupil is classified as an English learner and is a foster youth.

(C) The pupil is eligible for a free or reduced-price meal and is classified as a foster youth.

(D) The pupil is classified as an English learner, is eligible for a free or reduced-price meal, and is a foster youth.



(2) Under procedures and timeframes established by the Superintendent, commencing with the 2013–14 fiscal year, a school district or charter school shall annually submit its enrolled free and reduced-price meal eligibility, foster youth, and English learner pupil-level records for enrolled pupils to the Superintendent using the California Longitudinal Pupil Achievement Data System.

(3) (A) Commencing with the 2013–14 fiscal year, a county office of education shall review and validate certified aggregate English learner, foster youth, and free or reduced-price meal eligible pupil data for school districts and charter schools under its jurisdiction to ensure the data is reported accurately. The Superintendent shall provide each county office of education with appropriate access to school district and charter school data reports in the California Longitudinal Pupil Achievement Data System for purposes of ensuring data reporting accuracy.

(B) The Controller shall include the instructions necessary to enforce paragraph (2) in the audit guide required by Section 14502.1. The instructions shall include, but are not necessarily limited to, procedures for determining if the English learner, foster youth, and free or reduced-price meal eligible pupil counts are consistent with the school district's or charter school's English learner, foster youth, and free or reduced-price meal eligible pupil records.

(4) The Superintendent shall make the calculations pursuant to this section using the data submitted by local educational agencies, including charter schools, through the California Longitudinal Pupil Achievement Data System. Under timeframes and procedures established by the Superintendent, school districts and charter schools may review and revise their submitted data on English learner, foster youth, and free or reduced-price meal eligible pupil counts to ensure the accuracy of data reflected in the California Longitudinal Pupil Achievement Data System.

(5) The Superintendent shall annually compute the percentage of unduplicated pupils for each school district and charter school by dividing the enrollment of unduplicated pupils in a school district or charter school by the total enrollment in that school district or charter school pursuant to all of the following:

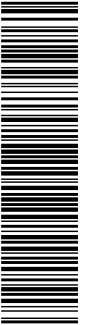
(A) For the 2013–14 fiscal year, divide the sum of unduplicated pupils for the 2013–14 fiscal year by the sum of the total pupil enrollment for the 2013–14 fiscal year.

(B) For the 2014–15 fiscal year, divide the sum of unduplicated pupils for the 2013–14 and 2014–15 fiscal years by the sum of the total pupil enrollment for the 2013–14 and 2014–15 fiscal years.

(C) For the 2015–16 fiscal year and each fiscal year thereafter, divide the sum of unduplicated pupils for the current fiscal year and the two prior fiscal years by the sum of the total pupil enrollment for the current fiscal year and the two prior fiscal years.

(D) (i) For purposes of the quotients determined pursuant to subparagraphs (B) and (C), the Superintendent shall use a school district's or charter school's enrollment of unduplicated pupils and total pupil enrollment in the 2014–15 fiscal year instead of the enrollment of unduplicated pupils and total pupil enrollment in the 2013–14 fiscal year if doing so would yield an overall greater percentage of unduplicated pupils.

(ii) It is the intent of the Legislature to review each school district and charter school's enrollment of unduplicated pupils for the 2013–14 and 2014–15 fiscal years and provide one-time funding, if necessary, for a school district or charter school with



higher enrollment of unduplicated pupils in the 2014–15 fiscal year as compared to the 2013–14 fiscal year.

(6) The data used to determine the percentage of unduplicated pupils shall be final once that data is no longer used in the current fiscal year calculation of the percentage of unduplicated pupils. This paragraph does not apply to a change that is the result of an audit that has been appealed pursuant to Section 41344.

(c) Commencing with the 2013–14 fiscal year and each fiscal year thereafter, the Superintendent shall annually calculate a local control funding formula grant for each school district and charter school in the state pursuant to this section.

(d) The Superintendent shall compute a grade span adjusted base grant equal to the total of the following amounts:

(1) For the 2013–14 fiscal year, a base grant of:

(A) Six thousand eight hundred forty-five dollars (\$6,845) for average daily attendance in kindergarten and grades 1 to 3, inclusive.

(B) Six thousand nine hundred forty-seven dollars (\$6,947) for average daily attendance in grades 4 to 6, inclusive.

(C) Seven thousand one hundred fifty-four dollars (\$7,154) for average daily attendance in grades 7 and 8.

(D) Eight thousand two hundred eighty-nine dollars (\$8,289) for average daily attendance in grades 9 to 12, inclusive.

(2) In each year the grade span adjusted base grants in paragraph (1) shall be adjusted by the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.

(3) (A) The Superintendent shall compute an additional adjustment to the kindergarten and grades 1 to 3, inclusive, base grant as adjusted for inflation pursuant to paragraph (2) equal to 10.4 percent. The additional grant shall be calculated by multiplying the kindergarten and grades 1 to 3, inclusive, base grant, as adjusted by paragraph (2), by 10.4 percent.

(B) Until paragraph (4) of subdivision (b) of Section 42238.03 is effective, as a condition of the receipt of funds in this paragraph, a school district shall make progress toward maintaining an average class enrollment of not more than 24 pupils for each schoolsite in kindergarten and grades 1 to 3, inclusive, unless a collectively bargained alternative annual average class enrollment for each schoolsite in those grades is agreed to by the school district, pursuant to the following calculation:

(i) Determine a school district's average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, in the prior year. For the 2013–14 fiscal year, this amount shall be the average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, in the 2012–13 fiscal year.

(ii) Determine a school district's proportion of total need pursuant to paragraph (2) of subdivision (b) of Section 42238.03.



(iii) Determine the percentage of the need calculated in clause (ii) that is met by funding provided to the school district pursuant to paragraph (3) of subdivision (b) of Section 42238.03.

(iv) Determine the difference between the amount computed pursuant to clause (i) and an average class enrollment of not more than 24 pupils.

(v) Calculate a current year average class enrollment adjustment for each schoolsite for kindergarten and grades 1 to 3, inclusive, equal to the adjustment calculated in clause (iv) multiplied by the percentage determined pursuant to clause (iii).

(C) School districts that have an average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, of 24 pupils or less for each schoolsite in the 2012–13 fiscal year, shall be exempt from the requirements of subparagraph (B) so long as the school district continues to maintain an average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, of not more than 24 pupils, unless a collectively bargained alternative ratio is agreed to by the school district.

(D) Upon full implementation of the local control funding formula, as a condition of the receipt of funds in this paragraph, all school districts shall maintain an average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, of not more than 24 pupils for each schoolsite in kindergarten and grades 1 to 3, inclusive, unless a collectively bargained alternative ratio is agreed to by the school district.

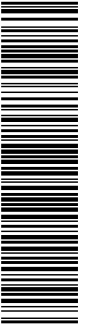
(E) The average class enrollment requirement for each schoolsite for kindergarten and grades 1 to 3, inclusive, established pursuant to this paragraph shall not be subject to waiver by the state board pursuant to Section 33050 or by the Superintendent.

(F) The Controller shall include the instructions necessary to enforce this paragraph in the audit guide required by Section 14502.1. The instructions shall include, but are not necessarily limited to, procedures for determining if the average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, exceeds 24 pupils, or an alternative average class enrollment for each schoolsite pursuant to a collectively bargained alternative ratio. The procedures for determining average class enrollment for each schoolsite shall include criteria for employing sampling.

(4) The Superintendent shall compute an additional adjustment to the base grant for grades 9 to 12, inclusive, as adjusted for inflation pursuant to paragraph (2), equal to 2.6 percent. The additional grant shall be calculated by multiplying the base grant for grades 9 to 12, inclusive, as adjusted by paragraph (2), by 2.6 percent.

(e) The Superintendent shall compute a supplemental grant add-on equal to 20 percent of the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), for each school district's or charter school's percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b). The supplemental grant shall be calculated by multiplying the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), by 20 percent and by the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in that school district or charter school. The supplemental grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.

(f) (1) The Superintendent shall compute a concentration grant add-on equal to 50 percent of the base grants as specified in subparagraphs (A) to (D), inclusive, of



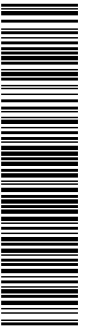
paragraph (1) of subdivision (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), for each school district's or charter school's percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the school district's or charter school's total enrollment. The concentration grant shall be calculated by multiplying the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), by 50 percent and by the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the total enrollment in that school district or charter school.

(2) (A) For a charter school physically located in only one school district, the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent used to calculate concentration grants shall not exceed the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the school district in which the charter school is physically located. For a charter school physically located in more than one school district, the charter school's percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent used to calculate concentration grants shall not exceed that of the school district with the highest percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the school districts in which the charter school has a school facility. The concentration grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.

(B) For purposes of this paragraph and subparagraph (A) of paragraph (1) of subdivision (f) of Section 42238.03, a charter school shall report its physical location to the department under timeframes established by the department. For a charter school authorized by a school district, the department shall include the authorizing school district in the department's determination of physical location. For a charter school authorized on appeal pursuant to subdivision (j) of Section 47605, the department shall include the sponsoring school district in the department's determination of physical location. The reported physical location of the charter school shall be considered final as of the second principal apportionment for that fiscal year. For purposes of this paragraph, the percentage of unduplicated pupils of the school district associated with the charter school pursuant to subparagraph (A) shall be considered final as of the second principal apportionment for that fiscal year.

(g) The Superintendent shall compute an add-on to the total sum of a school district's or charter school's base, supplemental, and concentration grants equal to the amount of funding a school district or charter school received from funds allocated pursuant to the Targeted Instructional Improvement Block Grant program, as set forth in Article 6 (commencing with Section 41540) of Chapter 3.2, for the 2012–13 fiscal year, as that article read on January 1, 2013. A school district or charter school shall not receive a total funding amount from this add-on greater than the total amount of funding received by the school district or charter school from that program in the 2012–13 fiscal year. The amount computed pursuant to this subdivision shall reflect the reduction specified in paragraph (2) of subdivision (a) of Section 42238.03.

(h) (1) The Superintendent shall compute an add-on to the total sum of a school district's or charter school's base, supplemental, and concentration grants equal to the amount of funding a school district or charter school received from funds allocated



pursuant to the Home-to-School Transportation program, as set forth in former Article 2 (commencing with Section 39820) of Chapter 1 of Part 23.5, former Article 10 (commencing with Section 41850) of Chapter 5, and the Small School District Transportation program, as set forth in former Article 4.5 (commencing with Section 42290), as those articles read on January 1, 2013, for the 2012–13 fiscal year. A school district or charter school shall not receive a total funding amount from this add-on greater than the total amount received by the school district or charter school for those programs in the 2012–13 fiscal year. The amount computed pursuant to this subdivision shall reflect the reduction specified in paragraph (2) of subdivision (a) of Section 42238.03.

(2) If a home-to-school transportation joint powers agency, established pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing pupil transportation, received an apportionment directly from the Superintendent from any of the funding sources specified in paragraph (1) for the 2012–13 fiscal year, the joint powers agency may identify the member local educational agencies and transfer entitlement to that funding to any of those member local educational agencies by reporting to the Superintendent, on or before September 30, 2015, the reassignment of a specified amount of the joint powers agency's 2012–13 fiscal year entitlement to the member local educational agency. Commencing with the 2015–16 fiscal year, the Superintendent shall compute an add-on to the total sum of a school district's or charter school's base, supplemental, and concentrations grants equal to the amount of the entitlement to funding transferred by the joint powers agency to the member school district or charter school.

(i) (1) The sum of the local control funding formula rates computed pursuant to subdivisions (c) to (f), inclusive, shall be multiplied by:

(A) For school districts, the average daily attendance of the school district in the corresponding grade level ranges computed pursuant to Section 42238.05, excluding the average daily attendance computed pursuant to paragraph (2) of subdivision (a) of Section 42238.05 for purposes of the computation specified in subdivision (d).

(B) For charter schools, the total current year average daily attendance in the corresponding grade level ranges.

(2) The amount computed pursuant to Article 4 (commencing with Section 42280) shall be added to the amount computed pursuant to paragraphs (1) to (4), inclusive, of subdivision (d), as multiplied by subparagraph (A) or (B) of paragraph (1), as appropriate.

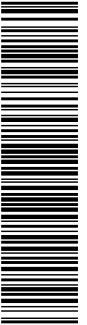
(j) The Superintendent shall adjust the sum of each school district's or charter school's amount determined in subdivisions (g) to (i), inclusive, pursuant to the calculation specified in Section 42238.03, less the sum of the following:

(1) (A) For school districts, the property tax revenue received pursuant to Chapter 3.5 (commencing with Section 75) and Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code.

(B) For charter schools, the in-lieu property tax amount provided to a charter school pursuant to Section 47635.

(2) The amount, if any, received pursuant to Part 18.5 (commencing with Section 38101) of Division 2 of the Revenue and Taxation Code.

(3) The amount, if any, received pursuant to Chapter 3 (commencing with Section 16140) of Part 1 of Division 4 of Title 2 of the Government Code.



(4) Prior years' taxes and taxes on the unsecured roll.

(5) Fifty percent of the amount received pursuant to Section 41603.

(6) The amount, if any, received pursuant to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code), less any amount received pursuant to Section 33401 or 33676 of the Health and Safety Code that is used for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance and that is not an amount received pursuant to Section 33492.15, or paragraph (4) of subdivision (a) of Section 33607.5, or Section 33607.7 of the Health and Safety Code that is allocated exclusively for educational facilities.

(7) The amount, if any, received pursuant to Sections 34177, 34179.5, 34179.6, 34183, and 34188 of the Health and Safety Code.

(8) Revenue received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.

(k) A school district shall annually transfer to each of its charter schools funding in lieu of property taxes pursuant to Section 47635.

(l) (1) Nothing in this section shall be interpreted to authorize a school district that receives funding on behalf of a charter school pursuant to Section 47651 to redirect this funding for another purpose unless otherwise authorized in law pursuant to paragraph (2) or pursuant to an agreement between the charter school and its chartering authority.

(2) A school district that received funding on behalf of a locally funded charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42605, Section 42606, and subdivision (b) of Section 47634.1, as those sections read on January 1, 2013, or a school district that was required to pass through funding to a conversion charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42606, as that section read on January 1, 2013, may annually redirect for another purpose a percentage of the amount of the funding received on behalf of that charter school. The percentage of funding that may be redirected shall be determined pursuant to the following computation:

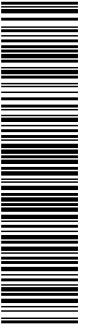
(A) (i) Determine the sum of the need fulfilled for that charter school pursuant to paragraph (3) of subdivision (b) of Section 42238.03 in the then current fiscal year for the charter school.

(ii) Determine the sum of the need fulfilled in every fiscal year before the then current fiscal year pursuant to paragraph (3) of subdivision (b) of Section 42238.03 adjusted for changes in average daily attendance pursuant to paragraph (3) of subdivision (a) of Section 42238.03 for the charter school.

(iii) Subtract the amount computed pursuant to paragraphs (1) to (3), inclusive, of subdivision (a) of Section 42238.03 from the amount computed for that charter school under the local control funding formula entitlement computed pursuant to subdivision (i) of this section.

(iv) Compute a percentage by dividing the sum of the amounts computed to clauses (i) and (ii) by the amount computed pursuant to clause (iii).

(B) Multiply the percentage computed pursuant to subparagraph (A) by the amount of funding the school district received on behalf of the charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42605,



Section 42606, and subdivision (b) of Section 47634.1, as those sections read on January 1, 2013.

(C) The maximum amount that may be redirected shall be the lesser of the amount of funding the school district received on behalf of the charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42605, Section 42606, and subdivision (b) of Section 47634.1, as those sections read on January 1, 2013, or the amount computed pursuant to subparagraph (B).

(3) Commencing with the 2013–14 fiscal year, a school district operating one or more affiliated charter schools shall provide each affiliated charter school schoolsite with no less than the amount of funding the schoolsite received pursuant to the charter school block grant in the 2012–13 fiscal year.

(m) Any calculations in law that are used for purposes of determining if a local educational agency is an excess tax school entity or basic aid school district, including, but not limited to, this section and Sections 42238.03, 41544, 47632, 47660, 47663, 48310, and 48359.5, and Section 95 of the Revenue and Taxation Code, shall be made exclusive of the revenue received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.

(n) The funds apportioned pursuant to this section and Section 42238.03 shall be available to implement the activities required pursuant to Article 4.5 (commencing with Section ~~52060~~ 52059.5) of Chapter 6.1 of Part 28 of Division 4.

(o) A school district that does not receive an apportionment of state funds pursuant to this section, as implemented pursuant to Section 42238.03, excluding funds apportioned pursuant to the requirements of subparagraph (A) of paragraph (2) of subdivision (e) of Section 42238.03, shall be considered a “basic aid school district” or an “excess tax entity.”

SEC. 28. Section 42238.05 of the Education Code is amended to read:

42238.05. (a) For purposes of Sections 42238.02, 42238.025, and 42238.03, the fiscal year average daily attendance for a school district shall be computed pursuant to paragraphs (1) to (3), inclusive, as applicable.

(1) The second principal apportionment regular average daily attendance for ~~either the current or prior~~ fiscal year, whichever or the prior fiscal year if the prior year average daily attendance is greater, excluding units of average daily attendance resulting from pupils attending schools funded pursuant to Article 4 (commencing with Section 42280).

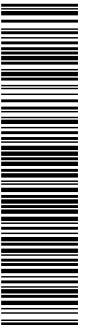
(2) The units of average daily attendance resulting from pupils attending schools funded pursuant to Article 4 (commencing with Section 42280).

(3) Prior fiscal year average daily attendance shall be adjusted for any loss or gain of average daily attendance due to a reorganization or transfer of territory.

(b) For purposes of this article, regular average daily attendance shall be the base grant average daily attendance.

(c) For purposes of this section, the Superintendent shall distribute total ungraded enrollment and average daily attendance among kindergarten and each of grades 1 to 12, inclusive, in proportion to the amounts of graded enrollment and average daily attendance, respectively, in each of these grades.

(d) Subdivisions (a) to (c), inclusive, shall only apply to average daily attendance generated by school districts and shall not apply to average daily attendance generated by charter schools.





(e) A pupil shall not be counted more than once for purposes of calculating average daily attendance pursuant to this section.

(f) For purposes of Sections 42238.02, 42238.025, and 42238.03, average daily attendance for a charter school shall be the total current year average daily attendance in the corresponding grade level ranges for the charter school.

SEC. 29. Section 42238.1 of the Education Code is amended to read:

42238.1. (a) For the 1986–87 fiscal year and each fiscal year up to and including the 1998–99 fiscal year, the Superintendent of ~~Public Instruction~~ shall compute an inflation adjustment equal to the product of paragraphs (1) and (2):

(1) Compute the sum of the following:

(A) The statewide average base revenue limit per unit of average daily attendance for the prior fiscal year for school districts of similar type.

(B) The amount, if any, per unit of average daily attendance received by the school district pursuant to Article 8 (commencing with Section 46200) of Chapter 2 of Part 26 for the prior fiscal year.

(2) The percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 1 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 1 of the second preceding fiscal year, as reported by the Department of Finance.

(b) For the 1999–2000 fiscal year and each fiscal year thereafter, the Superintendent of ~~Public Instruction~~ shall compute an inflation adjustment equal to the product of paragraphs (1) and (2):

(1) Compute the sum of the following:

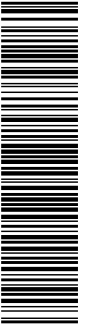
(A) The statewide average base revenue limit per unit of average daily attendance for the prior fiscal year for school districts of similar type.

(B) The amount, if any, per unit of average daily attendance received by the school district pursuant to Article 8 (commencing with Section 46200) of Chapter 2 of Part 26 for the prior fiscal year.

(2) The percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as report by the Department of Finance.

(c) This section shall become operative July 1, 1986.

(d) Commencing with the 2013–14 fiscal year, this section shall be used only for purposes of allocating revenues received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.



(e) This section shall become inoperative on July 1, ~~2021~~, 2033, and, as of January 1, ~~2022~~, 2034, is repealed, unless a later enacted statute, that becomes operative on or before January 1, ~~2022~~, 2034, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 30. Section 42238.2 of the Education Code is amended to read:

42238.2. (a) (1) Notwithstanding Section 42238.5 or any other ~~provision of~~ law, a school district that meets any of the following conditions shall be entitled to an adjustment to its units of average daily attendance pursuant to this section:

(A) The school district experiences a decline in the number of units of average daily attendance in excess of 8 percent of its total average daily attendance as a result of the closure of a facility operated by a branch of the United States Armed Forces in the school district's boundaries.

(B) The school district experiences a decline in the number of units of average daily attendance that is less than 8 percent but at least 5 percent of its total average daily attendance as a result of the closure of a facility operated by a branch of the United States Armed Forces in that school district's boundaries, upon a finding by both the Superintendent of ~~Public Instruction~~ and the Director of Finance that both of the following conditions exist:

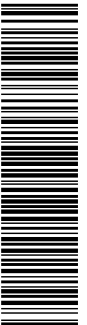
(i) The school district demonstrates that at the end of a three-year period the school district will experience a 10-percent reduction in the amount of funding that the school district would otherwise have received from state apportionments, funding received pursuant to the California State Lottery Act of 1984 (Chapter 12.5 (commencing with Section 8880) of Division 1 of Title 2 of the Government Code), and funding received pursuant to federal Title VIII of Public Law 103-382, as a result of the loss of pupils related to the closure of a facility operated by a branch of the United States Armed Forces.

(ii) The fiscal crisis and management assistance team established pursuant to Section 42127.8 has reviewed the school district's finances and has found that the school district has taken significant steps to reduce expenditure.

(C) The school district experiences a decline in the number of units of average daily attendance in excess of 5 percent of its total average daily attendance and the Director of Finance determines that the school district is likely, within eight years of that decline, to maintain a number of units of average daily attendance that is equivalent to the number of units of average daily attendance maintained by the school district ~~prior to before~~ the decline. Notwithstanding subdivision (b), loan repayments shall commence no later than the fourth year after the base year or at a later time, as determined by the Director of Finance.

(2) For purposes of this section, the year preceding a decline shall be the base year.

(b) In the second year after the base year, the district average daily attendance pursuant to Section 42238.5 may, if the school district chooses, be increased by 75 percent of the difference between the base year units of average daily attendance and the units of average daily attendance in the first year of decline. In the third year after the base year, the school district average daily attendance pursuant to Section 42238.5 may, if the school district chooses, be increased by 50 percent of the difference between the base year units of average daily attendance and the units of average daily attendance in the first year of decline. The amount of money represented by these increases shall



be considered a loan to the school district. Loan repayments shall commence no later than the fourth year after the base year.

(c) (1) ~~The Superintendent of Public Instruction, Superintendent,~~ in consultation with a school district subject to this section, shall determine a schedule for repayment of the total amount loaned pursuant to this section ~~which that~~ may not exceed 10 years. Payments shall include interest charged at a rate based on the most current investment rate of the Pooled Money Investment Account in the General Fund as of the date of the disbursement of funds to the school district.

(2) Upon written notification by the ~~Superintendent of Public Instruction~~ that the school district has not made one or more of the payments required by the schedule established pursuant to paragraph (1), the Controller shall withhold from Section A of the State School Fund the defaulted payment ~~which that~~ shall not exceed the amount of any apportionment entitlement of the school district to moneys in Section A of the State School Fund. In that regard, the Controller shall withhold the amount of any payment made under this subdivision, including reimbursement of the Controller's administrative costs as determined under a schedule approved by the California Debt Advisory Commission, from subsequent apportionments to the school district from Section A of the State School Fund.

(3) Any apportionments made by the Controller pursuant to paragraph (2) shall be deemed to be an allocation to the school district for purposes of subdivision (b) of Section 8 of Article XVI of the California Constitution, and for purposes of Chapter 2 (commencing with Section 41200) of Part 24.

(d) In no event shall the adjustment provided by this section cause the apportionment to a school district to exceed the amount that would otherwise be calculated for apportionment to the school district pursuant to Sections 42238 and 42238.1.

(e) This section does not apply to a school district that experiences a decline in enrollment as a result of a school district reorganization pursuant to Chapter 3 (commencing with Section 35500) of Part 21 or any other law.

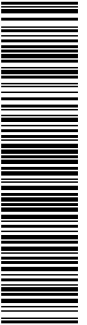
(f) Commencing with the 2013–14 fiscal year, this section shall be used only for purposes of allocating revenues received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.

(g) This section shall become inoperative on July 1, ~~2021, 2033,~~ and, as of January 1, ~~2022, 2034,~~ is repealed, unless a later enacted statute, that becomes operative on or before January 1, ~~2022, 2034,~~ deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 31. Section 42238.5 of the Education Code is amended to read:

42238.5. (a) For purposes of Section 42238, the fiscal year average daily attendance shall be computed pursuant to paragraph (1) or (2).

(1) The second principal apportionment regular average daily attendance for either the current or prior fiscal year, whichever is greater. However, prior fiscal year average daily attendance shall be adjusted for any loss or gain of average daily attendance due to a reorganization or transfer of territory, or, commencing in the 1993–94 fiscal year, and each fiscal year thereafter, for any change in average daily attendance for pupils who are concurrently enrolled in adult programs and classes pursuant to Section 52616.17.



(2) Any school district that elects to receive funding pursuant to Article 4 (commencing with Section 42280) shall compute its units of average daily attendance for purposes of Section 42238 by subtracting the amount determined in subparagraph (B) from the amount determined in subparagraph (A).

(A) The units of average daily attendance computed pursuant to paragraph (1).

(B) The units of average daily attendance resulting from pupils attending schools funded pursuant to Article 4 (commencing with Section 42280).

(b) For purposes of this article, regular average daily attendance shall be the base revenue limit average daily attendance, excluding summer school average daily attendance.

(c) For purposes of this section, for the 1998–99 fiscal year only, the prior year average daily attendance shall be the 1997–98 regular average daily attendance, excluding absences excused pursuant to subdivision (b) of Section 46010, as that subdivision read on July 1, 1996.

(d) Commencing with the 2013–14 fiscal year, this section shall be used only for purposes of allocating revenues received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.

(e) This section shall become inoperative on July 1, ~~2021~~, 2033, and, as of January 1, ~~2022~~, 2034, is repealed, unless a later enacted statute, that becomes operative on or before January 1, ~~2022~~, 2034, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 32. Section 42285 of the Education Code is amended to read:

42285. (a) For purposes of Section 42284, a necessary small high school is a high school with an average daily attendance of less than 287 pupils that ~~comes within~~ meets any of the following conditions:

~~(1) The projection of its future enrollment on the basis of the enrollment of the elementary schools in the school district shows that within eight years the enrollment in high school in grades 9 to 12, inclusive, will exceed 286 pupils.~~

~~(2) Any one of the following combinations of distance and units of average daily attendance applies:~~

~~(A)~~

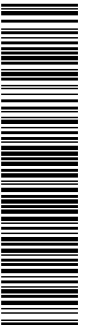
~~(1) The high school had an average daily attendance of less than 96 pupils in grades 9 to 12, inclusive, during the preceding fiscal year and is more than 15 miles by well-traveled road from the nearest other public high school and either 90 percent of the pupils would be required to travel 20 miles or 25 percent of the pupils would be required to travel 30 miles one way from a point on a well-traveled road nearest their homes to the nearest other public high school.~~

~~(B)~~

~~(2) The high school had an average daily attendance of 96 pupils or more and less than 144 pupils in grades 9 to 12, inclusive, during the preceding fiscal year and is more than 10 miles by well-traveled road from the nearest other public high school and either 90 percent of the pupils would be required to travel 18 miles or 25 percent of the pupils would be required to travel 25 miles one way from a point on a well-traveled road nearest their homes to the nearest other public high school.~~

~~(C)~~

~~(3) The high school had an average daily attendance of 144 pupils or more and less than 192 pupils in grades 9 to 12, inclusive, during the preceding fiscal year and~~



is more than 7 ½ miles by well-traveled road from the nearest other public high school and either 90 percent of the pupils would be required to travel 15 miles or 25 percent of the pupils would be required to travel 20 miles one way from a point on a well-traveled road nearest their homes to the nearest other public high school.

~~(D)~~

(4) The high school had an average daily attendance of 192 pupils or more and less than 287 pupils in grades 9 to 12, inclusive, during the preceding fiscal year and is more than 5 miles by well-traveled road from the nearest other public high school and either 90 percent of the pupils would be required to travel 10 miles or 25 percent of the pupils would be required to travel 15 miles to the nearest other public high school.

~~(3)~~

(5) Topographical or other conditions exist in the school district ~~which~~ that would impose unusual hardships on the pupils if the number of miles specified in ~~paragraph (2) paragraph (1), (2), (3), or (4)~~ were required to be traveled. In these cases, the Superintendent may, when requested, and after investigation, grant exceptions from the distance requirements.

~~(4) The Superintendent has approved the recommendation of a county committee on school district organization designating one of two or more schools as necessary isolated schools in a situation where the schools are operated by two or more school districts and the average daily attendance of each of the schools is less than 287 pupils in grades 9 to 12, inclusive.~~

(b) For purposes of Section 42284, a necessary small high school also includes any either of the following:

(1) A high school maintained by a school district for the exclusive purpose of educating juvenile hall pupils or pupils with exceptional needs.

~~(2) A high school maintained by a county office of education for the exclusive purpose of educating foster youth if the high school provided instruction in the 2012–13 fiscal year and the high school is the only one maintained by the county office of education that exclusively educates foster youth. Notwithstanding Section 42286, this paragraph shall become inoperative on July 1, 2017.~~

~~(3)~~

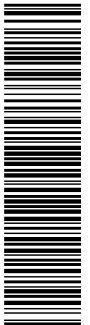
~~(2) A high school maintained by a unified school district as the only comprehensive high school if the high school has an average daily attendance of less than 287 pupils and the school district has 50 or fewer pupils per square mile of school district territory, as measured by the number of pupils residing in the school district. Notwithstanding Section 42286, this paragraph shall become inoperative on July 1, 2017.~~

(c) For purposes of Section 42284, a necessary small high school does not include a continuation school.

(d) For purposes of this section, “other public high school” is a public school, including a charter school, that serves any of grades 9 to 12, inclusive.

SEC. 33. Section 46380 of the Education Code is amended to read:

46380. The average daily attendance for the fiscal year of pupils residing in a county of this state and attending a school in an adjoining state under Article 1 (commencing with Section 2000) of Chapter 7 of Part 2 of Division 1 of Title 1 shall ~~be computed by dividing the total number of days of attendance of the pupils in the~~



~~school by the number of days the school was maintained during that fiscal year, but by not less than 175, reported using the methodology for reporting second principal apportionment attendance as provided in Section 41601.~~

SEC. 34. Section 47614.5 of the Education Code is amended to read:

47614.5. (a) The Charter School Facility Grant Program is hereby established, and shall be administered by the California School Finance Authority. The grant program is intended to provide assistance with facilities rent and lease costs for pupils in charter schools.

(b) (1) Commencing with the 2017–18 fiscal year, and subject to available funding in the annual Budget Act, eligible charter schools shall receive an amount equivalent to one of the following, whichever is less:

(A) Seventy-five percent of annual facilities rent and lease costs for the charter school.

(B) For the 2017–18 fiscal year, an amount equal to one thousand one hundred seventeen dollars (\$1,117) per unit of average daily attendance, as certified at the second principal apportionment. Commencing with the 2018–19 fiscal year, the amount of funding provided per unit of average daily attendance in the preceding fiscal year, as adjusted by the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.

~~(b)~~

(2) In any fiscal year, if the funds appropriated for purposes of this section by the annual Budget Act are insufficient to fully fund the approved amounts, the California School Finance Authority shall apportion the available funds on a pro rata basis.

(c) For purposes of this section, the California School Finance Authority shall do all of the following:

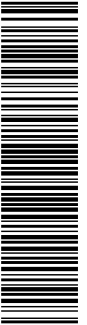
(1) Inform charter schools of the grant program.

(2) Upon application by a charter school, determine eligibility, based on the geographic location of the charter schoolsite, pupil eligibility for free or reduced-price meals, and a preference in admissions, as appropriate. Eligibility for funding shall not be limited to the grade level or levels served by the school whose attendance area is used to determine eligibility. A charter schoolsite is eligible for funding pursuant to this section if the charter schoolsite meets either of the following conditions:

(A) The charter schoolsite is physically located in the attendance area of a public elementary school in which 55 percent or more of the pupil enrollment is eligible for free or reduced-price meals and the charter schoolsite gives a preference in admissions to pupils who are currently enrolled in that public elementary school and to pupils who reside in the elementary school attendance area where the charter schoolsite is located.

(B) Fifty-five percent or more of the pupil enrollment at the charter schoolsite is eligible for free or reduced-price meals.

(3) Inform charter schools of their grant eligibility.



(4) Make apportionments to a charter school for eligible expenditures according to the following schedule:

(A) An initial apportionment by ~~August~~ October 31 of each fiscal year ~~or 30 days after enactment of the annual Budget Act, whichever is later,~~ year, provided the charter school has submitted a timely application for funding, as determined by the California School Finance Authority. The initial apportionment shall be 50 percent of the charter school's estimated annual entitlement as determined by this section.

(B) A second apportionment by March 1 of each fiscal year. This apportionment shall be 75 percent of the charter school's estimated annual entitlement, as adjusted for any revisions in cost, enrollment, and other data relevant to computing the charter school's annual entitlement, less any funding already apportioned to the charter school.

(C) A third apportionment within 30 days of the end of each fiscal year or 30 days after receiving the data and documentation needed to compute the charter school's total annual entitlement, whichever is later. This apportionment shall be the charter school's total annual entitlement less any funding already apportioned to the charter school.

(D) Notwithstanding subparagraph (A), the initial apportionment in the 2013–14 fiscal year shall be made by October 15, 2013, or 105 days after enactment of the Budget Act of 2013, whichever is later.

(d) For purposes of this section:

(1) The California School Finance Authority shall use prior year data on pupil eligibility for free or reduced-price meals to determine eligibility pursuant to paragraph (2) of subdivision (c). A new charter school that was not operational in the prior year shall be eligible in the current year if it meets the free or reduced-price meal eligibility requirements specified in paragraph (2) of subdivision (c) based on current year data. Prior year rent or lease costs provided by charter schools shall be used to determine eligibility for the grant program until actual rent or lease costs become known or until June 30 of each fiscal year.

(2) If prior year rent or lease costs are unavailable, and the current year lease and rent costs are not immediately available, the California School Finance Authority shall use rent or lease cost estimates provided by the charter school.

(3) (A) The California School Finance Authority shall verify costs associated with facility rents or leases, as evidenced by an executed rental or lease agreement.

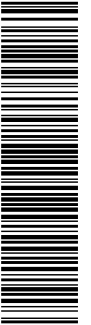
(B) The verified facility agreement shall be subject to either of the following conditions:

(i) Reimbursable facility rent or lease costs do not exceed the prior year's costs on file with the authority as of the 2016–17 fiscal year, subject to a cost-of-living adjustment consistent with subparagraph (B) of paragraph (1) of subdivision (b).

(ii) The rent or lease costs of new facility agreements are at or below market rate based on an independent appraisal paid for by the charter school.

~~(3)~~

(4) The California School Finance Authority shall verify that the grant amount awarded to each charter school is consistent with eligibility requirements as specified in this section and in regulations adopted by the authority. If it is determined by the California School Finance Authority that a charter school did not receive the proper grant award amount, either the charter school shall transfer funds back to the authority as necessary within 60 days of being notified by the authority, or the authority shall



provide an additional apportionment as necessary to the charter school within 60 days of notifying the charter school, subject to the availability of funds.

(e) Funds appropriated for purposes of this section shall not be apportioned for any of the following:

(1) Units of average daily attendance generated through nonclassroom-based instruction as defined by paragraph (2) of subdivision (e) of Section 47612.5 or that does not comply with conditions or limitations set forth in regulations adopted by the state board pursuant to this section.

(2) Charter schools occupying existing school district or county office of education facilities, except that charter schools shall be eligible for the portions of their facilities that are not existing school district or county office of education facilities.

(3) Charter schools receiving reasonably equivalent facilities from their chartering authorities pursuant to Section 47614, except that charter schools shall be eligible for the portions of their facilities that are not reasonably equivalent facilities received from their chartering authorities.

(f) Funds appropriated for purposes of this section shall first be used for costs associated with facilities rents and leases, consistent with the definitions used in the California School Accounting Manual or regulations adopted by the California School Finance Authority. These funds also may be used for costs, including, but not limited to, costs associated with remodeling buildings, deferred maintenance, initially installing or extending service systems and other built-in equipment, and improving sites.

(g) If an existing charter school located in an elementary attendance area in which less than 50 percent of pupil enrollment is eligible for free or reduced-price meals relocates to an attendance area identified in paragraph (2) of subdivision (c), admissions preference shall be given to pupils who reside in the elementary school attendance area into which the charter school is relocating.

(h) The California School Finance Authority annually shall report to the department and the Director of Finance, and post information on its Internet Web site, regarding the use of funds that have been made available during the fiscal year to each charter school pursuant to the grant program.

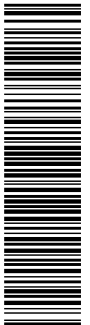
(i) The California School Finance Authority shall annually allocate the facilities grants to eligible charter schools according to the schedule in paragraph (4) of subdivision (c) for the current school year rent and lease costs. ~~However, the California School Finance Authority shall first use the funding appropriated for this program to reimburse eligible charter schools for unreimbursed rent or lease costs for the prior school year.~~

(j) It is the intent of the Legislature that the funding level for the Charter School Facility Grant Program for the 2012–13 fiscal year be considered the base level of funding for subsequent fiscal years.

(k) The Controller shall include instructions appropriate to the enforcement of this section in the audit guide required by subdivision (a) of Section 14502.1.

(l) The California School Finance Authority, effective with the 2013–14 fiscal year, shall be considered the senior creditor for purposes of satisfying audit findings pursuant to the audit instructions to be developed pursuant to subdivision (k).

(m) The California School Finance Authority may adopt regulations to implement this section. Any regulations adopted pursuant to this section may be adopted as emergency regulations in accordance with the Administrative Procedure Act (Chapter





3.5 (commencing with Section 11340) of Part 1 of Division 3 of the Title 2 of the Government Code). The adoption of these regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare.

(n) Notwithstanding any other law, a charter school shall be subject, with regard to this section, to audit conducted pursuant to Section 41020.

SEC. 35. Section 47633 of the Education Code is amended to read:

47633. The Superintendent shall annually compute a general-purpose entitlement, funded from a combination of state aid and local funds, for each charter school as follows:

(a) The Superintendent shall annually compute the statewide average amount of general-purpose funding per unit of average daily attendance received by school districts for each of four grade level ranges: kindergarten and grades 1, 2, and 3; grades 4, 5, and 6; grades 7 and 8; and, grades 9 to 12, inclusive. For purposes of making these computations, both of the following conditions shall apply:

(1) Revenue limit funding attributable to pupils in kindergarten and grades 1 to 5, inclusive, shall equal the statewide average revenue limit funding per unit of average daily attendance received by elementary school districts; revenue limit funding attributable to pupils in grades 6, 7, and 8, shall equal the statewide average revenue limit funding per unit of average daily attendance received by unified school districts; and revenue limit funding attributable to pupils in grades 9 to 12, inclusive, shall equal the statewide average revenue limit funding per unit of average daily attendance received by high school districts.

(2) Revenue limit funding received by school districts shall exclude the value of any benefit attributable to the presence of necessary small schools or necessary small high schools within the school district.

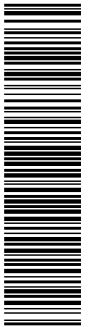
(b) The Superintendent shall multiply each of the four amounts computed in subdivision (a) by the charter school's average daily attendance in the corresponding grade level ranges. The resulting figure shall be the amount of the charter school's general-purpose entitlement, which shall be funded through a combination of state aid and local funds. From funds appropriated for this purpose pursuant to Section 14002, ~~the superintendent~~ Superintendent shall apportion to each charter school this amount, less local funds allocated to the charter school pursuant to Section 47635 and any amount received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.

(c) General-purpose entitlement funding may be used for any public school purpose determined by the governing body of the charter school.

(d) Commencing with the 2013–14 fiscal year, this section shall be used only for purposes of allocating revenues received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.

(e) This section shall become inoperative on July 1, ~~2021, 2033~~, and, as of January 1, ~~2022, 2034~~, is repealed, unless a later enacted statute, that becomes operative on or before January 1, ~~2022, 2034~~, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 36. Section 47635 of the Education Code is amended to read:



47635. (a) A sponsoring local educational agency shall annually transfer to each of its charter schools funding in lieu of property taxes equal to the lesser of the following two amounts:

(1) The average amount of property taxes per unit of average daily attendance, including average daily attendance attributable to charter schools, received by the local educational agency, multiplied by the charter school's average daily attendance.

(2) The local control funding formula grant funding computed pursuant to subdivision (d) of Section 42238.02, per unit of average daily attendance, multiplied by the charter school's average daily attendance in each of the four corresponding grade level ranges: kindergarten and grades 1, 2, and 3; grades 4, 5, and 6; grades 7 and 8; and grades 9 to 12, inclusive.

(3) Notwithstanding paragraph (2), until the Superintendent determines that a charter school is funded pursuant to ~~Section 42238.02 in the prior fiscal year, 42238.02,~~ the Superintendent shall apportion funding per unit of average daily attendance pursuant to this article. The base grant for purposes of paragraph (2) shall be the lesser of the amount calculated pursuant to paragraph (2) or the sum of the entitlements for the charter school in the specified fiscal year as computed pursuant to paragraphs (1) to (4), inclusive, of subdivision (a), and paragraph (3) of subdivision (b), of Section 42238.03, multiplied by the ratio of local control funding formula base grant funding computed pursuant to subdivision (d) of Section 42238.02 to the local control funding formula amount for the fiscal year computed pursuant to Section 42238.02.

(4) If the sum of the funding transferred pursuant to this subdivision and the funding calculated pursuant to subdivision (e) of Section 42238.03 exceeds the sum of the amounts calculated pursuant to subdivisions (a) and (b) of Section 42238.03, the excess funding shall be used to offset funding calculated pursuant to subdivision (e) of Section 42238.03.

(b) The sponsoring local educational agency shall transfer funding in lieu of property taxes to the charter school in monthly installments, by no later than the 15th of each month.

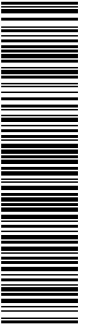
(1) For the months of August to February, inclusive, a charter school's funding in lieu of property taxes shall be computed based on the amount of property taxes received by the sponsoring local educational agency during the preceding fiscal year, as reported to the Superintendent for purposes of the second principal apportionment. A sponsoring local educational agency shall transfer to the charter school the charter school's estimated annual entitlement to funding in lieu of property taxes as follows:

(A) Six percent in August.

(B) Twelve percent in September.

(C) Eight percent each month in October, November, December, January, and February.

(2) For the months of March to June, inclusive, a charter school's funding in lieu of property taxes shall be computed based on the amount of property taxes estimated to be received by the sponsoring local educational agency during the fiscal year, as reported to the Superintendent for purposes of the first principal apportionment. A sponsoring local educational agency shall transfer to each of its charter schools an amount equal to one-sixth of the difference between the school's estimated annual entitlement to funding in lieu of property taxes and the amounts provided pursuant to



paragraph (1). An additional one-sixth of this difference shall be included in the amount transferred in the month of March.

(3) For the month of July, a charter school's funding in lieu of property taxes shall be computed based on the amount of property taxes estimated to be received by the sponsoring local educational agency during the prior fiscal year, as reported to the Superintendent for purposes of the second principal apportionment. A sponsoring local educational agency shall transfer to each of its charter schools an amount equal to the remaining difference between the school's estimated annual entitlement to funding in lieu of property taxes and the amounts provided pursuant to paragraphs (1) and (2).

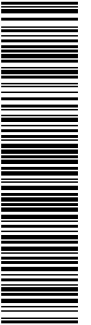
(4) Final adjustments to the amount of funding in lieu of property taxes allocated to a charter school shall be made in June, in conjunction with the third recertification of annual apportionments to schools.

(5) Subdivision (a) and paragraphs (1) to (4), inclusive, do not apply for pupils who reside in, and are otherwise eligible to attend a school in, a basic aid school district, but who attend a charter school in a nonbasic aid school district. With regard to these pupils, the sponsoring basic aid school district shall transfer to the charter school an amount of funds equivalent to the local control funding formula grant pursuant to Section 42238.02, as implemented by Section 42238.03, earned through average daily attendance by the charter school for each pupil's attendance, not to exceed the average property tax share per unit of average daily attendance for pupils residing and attending in the basic aid school district. The transfer of funds shall be made in not fewer than two installments at the request of the charter school, the first occurring not later than February 1 and the second not later than June 1 of each school year. Payments shall reflect the average daily attendance certified for the time periods of the first and second principal apportionments, respectively. The Superintendent may not apportion any funds for the attendance of pupils described in this subdivision unless the amount transferred by the basic aid school district is less than the local control funding formula grant pursuant to Section 42238.02, as implemented by Section 42238.03, earned by the charter school, in which event the Superintendent shall apportion the difference to the charter school from state funds.

SEC. 37. Section 47663 of the Education Code is amended to read:

47663. (a) (1) For a pupil of a charter school sponsored by a basic aid school district who resides in, and is otherwise eligible to attend, a school district other than a basic aid school district, the Superintendent shall apportion to the sponsoring school district an amount equal to 70 percent of the local control funding formula base grant computed pursuant to subdivision (d) of Section 42238.02, per unit of average daily attendance that would have been apportioned to the school district that the pupil resides in, and would otherwise have been eligible to attend.

(2) Notwithstanding paragraph (1), until the Superintendent determines that the school district the pupil resides in, and would otherwise have been eligible to attend, is funded pursuant to Section ~~42238.02 in the prior fiscal year, 42238.02,~~ the Superintendent shall apportion, for average daily attendance pursuant to this article, the lesser of the amount calculated pursuant to paragraph (1) or 70 percent of the sum of the entitlements for the school district that the pupil resides in, and would otherwise have been eligible to attend, for the specified fiscal year as computed pursuant to paragraphs (1) to (4), inclusive, of subdivision (a), and paragraph (3) of subdivision (b), of Section 42238.03, divided by the average daily attendance for that fiscal year



and then multiplied by the ratio of local control funding formula base grant funding computed pursuant to subdivision (d) of Section 42238.02 to the local control funding formula amount for the fiscal year computed pursuant to Section 42238.02.

(3) If the entitlements for the school district the pupil resides in, and would otherwise have been eligible to attend, as computed pursuant to paragraphs (1) to (4), inclusive, of subdivision (a), and paragraph (3) of subdivision (b), of Section 42238.03, include funding calculated pursuant to Article 4 (commencing with Section 42280) of Chapter 7 of Part 24 of Division 3 for a fiscal year, paragraph (2) shall not apply and the apportionment of state funds for the average daily attendance credited pursuant to this section for that fiscal year shall be calculated pursuant to paragraph (1).

(b) A school district that loses basic aid status as a result of transferring property taxes to a charter school or schools pursuant to Section 47635 for pupils who reside in, and are otherwise eligible to attend, a school district other than the school district that sponsors the charter school, shall be eligible to receive a pro rata share of funding provided by subdivision (a), with the proration factor calculated as the ratio of the following:

(1) The amount of property taxes that the school district receives in excess of its total base grant per unit of average daily attendance calculated pursuant to Section 42238.02, as implemented by Section 42238.03, before any transfers made pursuant to Section 47635, except for transfers in lieu of property taxes made for pupils who reside in, and would otherwise be eligible to attend, a school of the school district.

(2) The total amount in lieu of property taxes transferred pursuant to Section 47635 to the charter school or schools that it sponsors, except for transfers in lieu of property taxes made for pupils who reside in, and would otherwise be eligible to attend, a school of the school district.

(c) In no event shall the amount provided pursuant to this section exceed the amount in lieu of property taxes transferred on behalf of charter school pupils who do not reside in the school district, less the proportionate amount of base grant state aid provided pursuant to Section 42238.02, as implemented by Section 42238.03, that is attributable to the charter school pupils who do not reside in the school district.

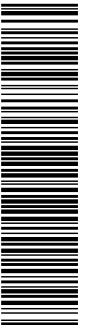
(d) The Superintendent shall not apportion funds for the attendance of a pupil in a charter school of a nonbasic aid school district who resides in, and is otherwise eligible to attend school in, a basic aid school district unless the pupil is subject to the exceptions set forth in paragraph (5) of subdivision (b), and subdivision (c), of Section 47635.

(e) For purposes of this section, "basic aid school district" means a school district that does not receive from the state, for any fiscal year in which the subdivision is applied, an apportionment of state funds as described in subdivision (o) of Section 42238.02.

SEC. 38. Section 48310 of the Education Code is amended to read:

48310. (a) The average daily attendance for pupils admitted by a school district of choice pursuant to this article shall be credited to that school district pursuant to Section 46607. The attendance report for the school district of choice may include an identification of the school district of residence.

(b) Notwithstanding any other law, state aid for categorical education programs for pupils admitted under this article shall be apportioned to the school district of choice.



(c) (1) For a school district of choice that is a basic aid school district, the apportionment of state funds for average daily attendance credited pursuant to this section shall be 25 percent of the school district local control funding formula base grant computed pursuant to subdivision (d) of Section 42238.02, as implemented by Section 42238.03, that would have been apportioned to the school district of residence.

(2) Notwithstanding paragraph (1), until the Superintendent determines that the school district of residence is funded pursuant to Section ~~42238.02 in the prior fiscal year, 42238.02~~, the Superintendent shall apportion, for average daily attendance pursuant to this article, the lesser of the amount calculated pursuant to paragraph (1) or 25 percent of the sum of the entitlements for the school district of residence for the specified fiscal year as computed pursuant to paragraphs (1) to (4), inclusive, of subdivision (a), and paragraph (3) of subdivision (b), of Section 42238.03, divided by the average daily attendance pursuant to this article for that fiscal year and then multiplied by the ratio of local control funding formula base grant funding computed pursuant to subdivision (d) of Section 42238.02 to the local control funding formula amount for the fiscal year computed pursuant to Section 42238.02.

(3) If the entitlements for the school district of residence computed pursuant to paragraphs (1) to (4), inclusive, of subdivision (a), and paragraph (3) of subdivision (b), of Section 42238.03, include funding calculated pursuant to Article 4 (commencing with Section 42280) of Chapter 7 of Part 24 of Division 3 for a fiscal year, paragraph (2) shall not apply and the apportionment of state funds for the average daily attendance credited pursuant to this section for that fiscal year shall be calculated pursuant to paragraph (1).

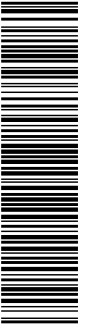
(4) For purposes of this subdivision, the term “basic aid school district” means a school district that does not receive from the state, for a fiscal year in which this subdivision is applied, an apportionment of state funds as described in subdivision (o) of Section 42238.02.

(d) The average daily attendance of pupils admitted by a school district of choice pursuant to this article shall be credited to that school district for purposes of any determination under Article 2 (commencing with Section 17010) of Chapter 12 of Part 10 of Division 1 of Title 1 that uses an average daily attendance calculation.

SEC. 39. Section 48359.5 of the Education Code is amended to read:

48359.5. (a) For a school district of enrollment that is a basic aid school district, the apportionment of state funds for average daily attendance credited pursuant to this article shall be 70 percent of the school district local control funding formula base grant that would have been apportioned to the school district of residence pursuant to subdivision (d) of Section 42238.02. Apportionment of these funds shall begin in the second consecutive year of enrollment, and continue annually until the pupil graduates from, or is no longer enrolled in, the school district of enrollment.

(b) Notwithstanding subdivision (a), until the Superintendent determines that the school district of residence is funded pursuant to Section ~~42238.02 in the prior fiscal year, 42238.02~~, the Superintendent shall apportion, for average daily attendance pursuant to this article, the lesser of the amount calculated pursuant to subdivision (a) or 70 percent of the sum of the entitlements for the school district of residence for the specified fiscal year as computed pursuant to paragraphs (1) to (4), inclusive, of subdivision (a), and paragraph (3) of subdivision (b), of Section 42238.03, divided by the average daily attendance pursuant to this article for that fiscal year and then



multiplied by the ratio of local control funding formula base grant funding computed pursuant to subdivision (d) of Section 42238.02 to the local control funding formula amount for the fiscal year computed pursuant to Section 42238.02.

(c) If the entitlements for the school district of residence computed pursuant to paragraphs (1) to (4), inclusive, of subdivision (a), and paragraph (3) of subdivision (b), of Section 42238.03, include funding calculated pursuant to Article 4 (commencing with Section 42280) of Chapter 7 of Part 24 of Division 3 for a fiscal year, subdivision (b) shall not apply and the apportionment of state funds for the average daily attendance credited pursuant to this section for that fiscal year shall be calculated pursuant to subdivision (a).

(d) For purposes of this section, "basic aid school district" means a school district that does not receive an apportionment of state funds as described in subdivision (o) of Section 42238.02 for a fiscal year in which this section may apply.

SEC. 40. Section 48900 of the Education Code is amended to read:

48900. A pupil shall not be suspended from school or recommended for expulsion, unless the superintendent of the school district or the principal of the school in which the pupil is enrolled determines that the pupil has committed an act as defined pursuant to any of subdivisions (a) to (r), inclusive:

(a) (1) Caused, attempted to cause, or threatened to cause physical injury to another person.

(2) Willfully used force or violence upon the person of another, except in self-defense.

(b) Possessed, sold, or otherwise furnished a firearm, knife, explosive, or other dangerous object, unless, in the case of possession of an object of this type, the pupil had obtained written permission to possess the item from a certificated school employee, which is concurred in by the principal or the designee of the principal.

(c) Unlawfully possessed, used, sold, or otherwise furnished, or been under the influence of, a controlled substance listed in Chapter 2 (commencing with Section 11053) of Division 10 of the Health and Safety Code, an alcoholic beverage, or an intoxicant of any kind.

(d) Unlawfully offered, arranged, or negotiated to sell a controlled substance listed in Chapter 2 (commencing with Section 11053) of Division 10 of the Health and Safety Code, an alcoholic beverage, or an intoxicant of any kind, and either sold, delivered, or otherwise furnished to a person another liquid, substance, or material and represented the liquid, substance, or material as a controlled substance, alcoholic beverage, or intoxicant.

(e) Committed or attempted to commit robbery or extortion.

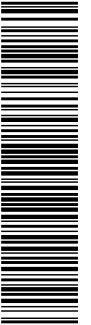
(f) Caused or attempted to cause damage to school property or private property.

(g) Stole or attempted to steal school property or private property.

(h) Possessed or used tobacco, or products containing tobacco or nicotine products, including, but not limited to, cigarettes, cigars, miniature cigars, clove cigarettes, smokeless tobacco, snuff, chew packets, and betel. However, this section does not prohibit the use or possession by a pupil of his or her own prescription products.

(i) Committed an obscene act or engaged in habitual profanity or vulgarity.

(j) Unlawfully possessed or unlawfully offered, arranged, or negotiated to sell drug paraphernalia, as defined in Section 11014.5 of the Health and Safety Code.



(k) (1) Disrupted school activities or otherwise willfully defied the valid authority of supervisors, teachers, administrators, school officials, or other school personnel engaged in the performance of their duties.

(2) Except as provided in Section 48910, a pupil enrolled in kindergarten or any of grades 1 to 3, inclusive, shall not be suspended for any of the acts enumerated in this subdivision, and this subdivision shall not constitute grounds for a pupil enrolled in kindergarten or any of grades 1 to 12, inclusive, to be recommended for expulsion. ~~This paragraph shall become inoperative on July 1, 2018, unless a later enacted statute that becomes operative before July 1, 2018, deletes or extends that date.~~

(l) Knowingly received stolen school property or private property.

(m) Possessed an imitation firearm. As used in this section, "imitation firearm" means a replica of a firearm that is so substantially similar in physical properties to an existing firearm as to lead a reasonable person to conclude that the replica is a firearm.

(n) Committed or attempted to commit a sexual assault as defined in Section 261, 266c, 286, 288, 288a, or 289 of the Penal Code or committed a sexual battery as defined in Section 243.4 of the Penal Code.

(o) Harassed, threatened, or intimidated a pupil who is a complaining witness or a witness in a school disciplinary proceeding for purposes of either preventing that pupil from being a witness or retaliating against that pupil for being a witness, or both.

(p) Unlawfully offered, arranged to sell, negotiated to sell, or sold the prescription drug Soma.

(q) Engaged in, or attempted to engage in, hazing. For purposes of this subdivision, "hazing" means a method of initiation or preinitiation into a pupil organization or body, whether or not the organization or body is officially recognized by an educational institution, that is likely to cause serious bodily injury or personal degradation or disgrace resulting in physical or mental harm to a former, current, or prospective pupil. For purposes of this subdivision, "hazing" does not include athletic events or school-sanctioned events.

(r) Engaged in an act of bullying. For purposes of this subdivision, the following terms have the following meanings:

(1) "Bullying" means any severe or pervasive physical or verbal act or conduct, including communications made in writing or by means of an electronic act, and including one or more acts committed by a pupil or group of pupils as defined in Section 48900.2, 48900.3, or 48900.4, directed toward one or more pupils that has or can be reasonably predicted to have the effect of one or more of the following:

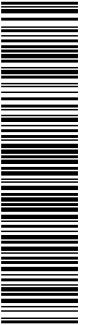
(A) Placing a reasonable pupil or pupils in fear of harm to that pupil's or those pupils' person or property.

(B) Causing a reasonable pupil to experience a substantially detrimental effect on his or her physical or mental health.

(C) Causing a reasonable pupil to experience substantial interference with his or her academic performance.

(D) Causing a reasonable pupil to experience substantial interference with his or her ability to participate in or benefit from the services, activities, or privileges provided by a school.

(2) (A) "Electronic act" means the creation or transmission originated on or off the schoolsite, by means of an electronic device, including, but not limited to, a



telephone, wireless telephone, or other wireless communication device, computer, or pager, of a communication, including, but not limited to, any of the following:

(i) A message, text, sound, video, or image.

(ii) A post on a social network Internet Web site, including, but not limited to:

(I) Posting to or creating a burn page. "Burn page" means an Internet Web site created for the purpose of having one or more of the effects listed in paragraph (1).

(II) Creating a credible impersonation of another actual pupil for the purpose of having one or more of the effects listed in paragraph (1). "Credible impersonation" means to knowingly and without consent impersonate a pupil for the purpose of bullying the pupil and such that another pupil would reasonably believe, or has reasonably believed, that the pupil was or is the pupil who was impersonated.

(III) Creating a false profile for the purpose of having one or more of the effects listed in paragraph (1). "False profile" means a profile of a fictitious pupil or a profile using the likeness or attributes of an actual pupil other than the pupil who created the false profile.

(iii) An act of cyber sexual bullying.

(I) For purposes of this clause, "cyber sexual bullying" means the dissemination of, or the solicitation or incitement to disseminate, a photograph or other visual recording by a pupil to another pupil or to school personnel by means of an electronic act that has or can be reasonably predicted to have one or more of the effects described in subparagraphs (A) to (D), inclusive, of paragraph (1). A photograph or other visual recording, as described above, shall include the depiction of a nude, semi-nude, or sexually explicit photograph or other visual recording of a minor where the minor is identifiable from the photograph, visual recording, or other electronic act.

(II) For purposes of this clause, "cyber sexual bullying" does not include a depiction, portrayal, or image that has any serious literary, artistic, educational, political, or scientific value or that involves athletic events or school-sanctioned activities.

(B) Notwithstanding paragraph (1) and subparagraph (A), an electronic act shall not constitute pervasive conduct solely on the basis that it has been transmitted on the Internet or is currently posted on the Internet.

(3) "Reasonable pupil" means a pupil, including, but not limited to, an exceptional needs pupil, who exercises average care, skill, and judgment in conduct for a person of his or her age, or for a person of his or her age with his or her exceptional needs.

(s) A pupil shall not be suspended or expelled for any of the acts enumerated in this section unless the act is related to a school activity or school attendance occurring within a school under the jurisdiction of the superintendent of the school district or principal or occurring within any other school district. A pupil may be suspended or expelled for acts that are enumerated in this section and related to a school activity or school attendance that occur at any time, including, but not limited to, any of the following:

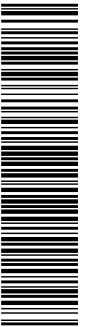
(1) While on school grounds.

(2) While going to or coming from school.

(3) During the lunch period whether on or off the campus.

(4) During, or while going to or coming from, a school-sponsored activity.

(t) A pupil who aids or abets, as defined in Section 31 of the Penal Code, the infliction or attempted infliction of physical injury to another person may be subject to suspension, but not expulsion, pursuant to this section, except that a pupil who has





been adjudged by a juvenile court to have committed, as an aider and abettor, a crime of physical violence in which the victim suffered great bodily injury or serious bodily injury shall be subject to discipline pursuant to subdivision (a).

(u) As used in this section, “school property” includes, but is not limited to, electronic files and databases.

(v) For a pupil subject to discipline under this section, a superintendent of the school district or principal may use his or her discretion to provide alternatives to suspension or expulsion that are age appropriate and designed to address and correct the pupil’s specific misbehavior as specified in Section 48900.5.

(w) It is the intent of the Legislature that alternatives to suspension or expulsion be imposed against a pupil who is truant, tardy, or otherwise absent from school activities.

SEC. 41. Section 49430.5 of the Education Code is repealed.

~~49430.5. (a) The reimbursement a school receives for free and reduced-price meals sold or served to pupils in elementary, middle, or high schools included within a school district, charter school, or county office of education shall be twenty-three and six one thousandths cents (\$0.2306) per meal, and, for meals served in child care centers and homes, the reimbursement shall be seventeen and seventeen hundredths cents (\$0.1717) per meal.~~

~~(b) To qualify for the reimbursement for free and reduced-price meals provided to pupils in elementary, middle, or high schools, a school shall follow the United States Department of Agriculture meal pattern.~~

~~(c) The reimbursement rates set forth in this section shall be adjusted annually for increases in cost of living in the same manner set forth in Section 42238.1.~~

SEC. 42. Section 52051.5 of the Education Code is repealed.

~~52051.5. For purposes of this chapter, all references to schools shall include charter schools.~~

SEC. 43. Section 52052 of the Education Code is repealed.

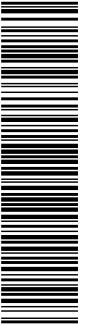
~~52052. (a) (1) The Superintendent, with the approval of the state board, shall develop an Academic Performance Index (API), to measure the performance of schools and school districts, especially the academic performance of pupils.~~

~~(2) A school or school district shall demonstrate comparable improvement in academic achievement as measured by the API by all numerically significant pupil subgroups at the school or school district, including:~~

- ~~(A) Ethnic subgroups.~~
- ~~(B) Socioeconomically disadvantaged pupils.~~
- ~~(C) English learners.~~
- ~~(D) Pupils with disabilities.~~
- ~~(E) Foster youth.~~
- ~~(F) Homeless youth.~~

~~(3) (A) For purposes of this section, a numerically significant pupil subgroup is one that consists of at least 30 pupils, each of whom has a valid test score.~~

~~(B) Notwithstanding subparagraph (A), for a subgroup of pupils who are foster youth or homeless youth, a numerically significant pupil subgroup is one that consists of at least 15 pupils.~~



(C) For a school or school district with an API score that is based on no fewer than 11 and no more than 99 pupils with valid test scores, numerically significant pupil subgroups shall be defined by the Superintendent, with approval by the state board.

(4) (A) The API shall consist of a variety of indicators currently reported to the department, including, but not limited to, the results of the achievement test administered pursuant to Section 60640, attendance rates for pupils in elementary schools, middle schools, and secondary schools, and the graduation rates for pupils in secondary schools.

(B) The Superintendent, with the approval of the state board, may also incorporate into the API the rates at which pupils successfully promote from one grade to the next in middle school and high school, and successfully matriculate from middle school to high school.

(C) Graduation rates for pupils in secondary schools shall be calculated for the API as follows:

(i) Four-year graduation rates shall be calculated by taking the number of pupils who graduated on time for the current school year, which is considered to be three school years after the pupils entered grade 9 for the first time, and dividing that number by the total calculated in clause (ii).

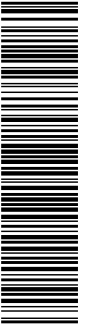
(ii) The number of pupils entering grade 9 for the first time in the school year three school years before the current school year, plus the number of pupils who transferred into the class graduating at the end of the current school year between the school year that was three school years before the current school year and the date of graduation, less the number of pupils who transferred out of the school between the school year that was three school years before the current school year and the date of graduation who were members of the class that is graduating at the end of the current school year.

(iii) Five-year graduation rates shall be calculated by taking the number of pupils who graduated on time for the current school year, which is considered to be four school years after the pupils entered grade 9 for the first time, and dividing that number by the total calculated in clause (iv).

(iv) The number of pupils entering grade 9 for the first time in the school year four years before the current school year, plus the number of pupils who transferred into the class graduating at the end of the current school year between the school year that was four school years before the current school year and the date of graduation, less the number of pupils who transferred out of the school between the school year that was four years before the current school year and the date of graduation who were members of the class that is graduating at the end of the current school year.

(v) Six-year graduation rates shall be calculated by taking the number of pupils who graduated on time for the current school year, which is considered to be five school years after the pupils entered grade 9 for the first time, and dividing that number by the total calculated in clause (vi).

(vi) The number of pupils entering grade 9 for the first time in the school year five years before the current school year, plus the number of pupils who transferred into the class graduating at the end of the current school year between the school year that was five school years before the current school year and the date of graduation, less the number of pupils who transferred out of the school between the school year that was five years before the current school year and the date of graduation who were members of the class that is graduating at the end of the current school year.



~~(D) The inclusion of five- and six-year graduation rates for pupils in secondary schools shall meet the following requirements:~~

~~(i) Schools and school districts shall be granted one-half the credit in their API scores for graduating pupils in five years that they are granted for graduating pupils in four years.~~

~~(ii) Schools and school districts shall be granted one-quarter the credit in their API scores for graduating pupils in six years that they are granted for graduating pupils in four years.~~

~~(iii) Notwithstanding clauses (i) and (ii), schools and school districts shall be granted full credit in their API scores for graduating in five or six years a pupil with disabilities who graduates in accordance with his or her individualized education program.~~

~~(E) The pupil data collected for the API that comes from the achievement test administered pursuant to Section 60640, when fully implemented, shall be disaggregated by special education status, English learners, socioeconomic status, gender, and ethnic group. Only the test scores of pupils who were counted as part of the enrollment in the annual data collection of the California Basic Educational Data System for the current fiscal year and who were continuously enrolled during that year may be included in the test result reports in the API score of the school.~~

~~(F) (i) Commencing with the baseline API calculation in 2016, and for each year thereafter, results of the achievement tests specified in subdivision (b) shall constitute no more than 60 percent of the value of the index for secondary schools.~~

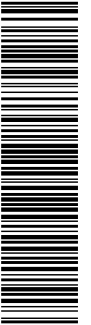
~~(ii) In addition to the elements required by this paragraph, the Superintendent, with the approval of the state board, may incorporate into the index for secondary schools valid, reliable, and stable measures of pupil preparedness for postsecondary education and career.~~

~~(G) Results of the achievement tests specified in subdivision (b) shall constitute at least 60 percent of the value of the index for primary schools and middle schools.~~

~~(H) It is the intent of the Legislature that the state's system of public school accountability be more closely aligned with both the public's expectations for public education and the workforce needs of the state's economy. It is therefore necessary that the accountability system evolve beyond its narrow focus on pupil test scores to encompass other valuable information about school performance, including, but not limited to, pupil preparedness for college and career, as well as the high school graduation rates already required by law.~~

~~(I) The Superintendent shall annually determine the accuracy of the graduation rate data. Notwithstanding any other law, graduation rates for pupils in dropout recovery high schools shall not be included in the API. For purposes of this subparagraph, "dropout recovery high school" means a high school in which 50 percent or more of its pupils have been designated as dropouts pursuant to the exit/withdrawal codes developed by the department or left a school and were not otherwise enrolled in a school for a period of at least 180 days.~~

~~(J) To complement the API, the Superintendent, with the approval of the state board, may develop and implement a program of school quality review that features locally convened panels to visit schools, observe teachers, interview pupils, and examine pupil work, if an appropriation for this purpose is made in the annual Budget Act.~~



(K) The Superintendent shall annually provide to local educational agencies and the public a transparent and understandable explanation of the individual components of the API and their relative values within the API.

(L) An additional element chosen by the Superintendent and the state board for inclusion in the API pursuant to this paragraph shall not be incorporated into the API until at least one full school year after the state board's decision to include the element into the API.

(b) Pupil scores from the achievement tests provided for in Section 60642.5, when available and when found to be valid and reliable for this purpose, shall be incorporated into the API.

(c) Based on the API, the Superintendent shall develop, and the state board shall adopt, expected annual percentage growth targets for all schools based on their API baseline score from the previous year. Schools are expected to meet these growth targets through effective allocation of available resources. For schools below the statewide API performance target adopted by the state board pursuant to subdivision (d), the minimum annual percentage growth target shall be 5 percent of the difference between the actual API score of a school and the statewide API performance target, or one API point, whichever is greater. Schools at or above the statewide API performance target shall have, as their growth target, maintenance of their API score above the statewide API performance target. However, the state board may set differential growth targets based on grade level of instruction and may set higher growth targets for the lowest performing schools because they have the greatest room for improvement. To meet its growth target, a school shall demonstrate that the annual growth in its API is equal to or more than its schoolwide annual percentage growth target and that all numerically significant pupil subgroups, as defined in subdivision (a), are making comparable improvement.

(d) Upon adoption of state performance standards by the state board, the Superintendent shall recommend, and the state board shall adopt, a statewide API performance target that includes consideration of performance standards and represents the proficiency level required to meet the state performance target.

(e) (1) A school or school district with 11 to 99 pupils with valid test scores shall receive an API score with an asterisk that indicates less statistical certainty than API scores based on 100 or more test scores.

(2) A school or school district annually shall receive an API score, unless the Superintendent determines that an API score would be an invalid measure of the performance of the school or school district for one or more of the following reasons:

(A) Irregularities in testing procedures occurred.

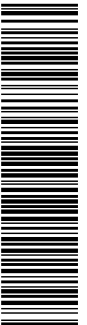
(B) The data used to calculate the API score of the school or school district are not representative of the pupil population at the school or school district.

(C) Significant demographic changes in the pupil population render year-to-year comparisons of pupil performance invalid.

(D) The department discovers or receives information indicating that the integrity of the API score has been compromised.

(E) Insufficient pupil participation in the assessments included in the API.

(F) A transition to new standards-based assessments compromises comparability of results across schools or school districts. The Superintendent may use the authority



in this subparagraph in the 2013–14, 2014–15, 2015–16, and 2016–17 school years only, with the approval of the state board.

(3) If a school or school district has fewer than 100 pupils with valid test scores, the calculation of the API or adequate yearly progress pursuant to the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.) and federal regulations may be calculated over more than one annual administration of the tests administered pursuant to Section 60640, consistent with regulations adopted by the state board.

(4) Any school or school district that does not receive an API calculated pursuant to subparagraph (F) of paragraph (2) shall not receive an API growth target pursuant to subdivision (c). Schools and school districts that do not have an API calculated pursuant to subparagraph (F) of paragraph (2) shall use one of the following:

(A) The most recent API calculation.

(B) An average of the three most recent annual API calculations.

(C) Alternative measures that show increases in pupil academic achievement for all groups of pupils schoolwide and among significant subgroups.

(f) Only schools with 100 or more test scores contributing to the API may be included in the API rankings.

(g) The Superintendent, with the approval of the state board, shall develop an alternative accountability system for schools under the jurisdiction of a county board of education or a county superintendent of schools, community day schools, nonpublic, nonsectarian schools pursuant to Section 56366, and alternative schools serving high-risk pupils, including continuation high schools and opportunity schools. Schools in the alternative accountability system may receive an API score, but shall not be included in the API rankings.

(h) For purposes of this section, county offices of education shall be considered school districts.

(i) For purposes of this section, “homeless youth” has the same meaning as in Section 11434a(2) of Title 42 of the United States Code.

SEC. 44. Section 52052 is added to the Education Code, to read:

52052. (a) (1) The single multiple measures public school accountability system authorized by Article 4.5 (commencing with Section 52059.5) shall measure the overall performance of numerically significant pupil subgroups in schools, including charter schools, school districts, and county offices of education.

(2) For purposes of this section, numerically significant pupil subgroups include all of the following:

(A) Ethnic subgroups.

(B) Socioeconomically disadvantaged pupils.

(C) English learners.

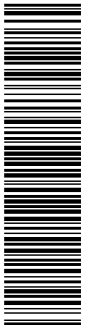
(D) Pupils with disabilities.

(E) Foster youth.

(F) Homeless youth.

(3) (A) For purposes of this section, a numerically significant pupil subgroup is one that consists of at least 30 pupils.

(B) Notwithstanding subparagraph (A), for a subgroup of pupils who are foster youth or homeless youth, a numerically significant pupil subgroup is one that consists of at least 15 pupils.



(b) To complement the multiple measures system, the Superintendent, with the approval of the state board, may develop and implement a program of school quality review that features locally convened panels to visit schools, observe teachers, interview pupils, and examine pupil work.

(c) The Superintendent shall annually provide to local educational agencies and the public a transparent and understandable explanation of the individual components of the multiple measures system.

(d) For purposes of the statewide system of support established pursuant to Article 4.5 (commencing with Section 52059.5), or any successor system, alternative schools include schools under the jurisdiction of a county board of education or a county superintendent of schools, community day schools, nonpublic, nonsectarian schools pursuant to Section 56366, and alternative schools serving high-risk pupils, including continuation high schools, dropout recovery high schools, and opportunity schools.

(e) For purposes of this section, the following terms shall have the following meanings:

(1) "Dropout recovery high school" means a school offering instruction in any of grades 9 to 12, inclusive, in which 50 percent or more of its pupils are either designated as dropouts pursuant to the exit and withdrawal codes developed by the department or left a school and were not otherwise enrolled in a school for a period of at least 180 days and the school provides instruction in partnership with any of the following:

(A) The federal Workforce Innovation and Opportunity Act (Public Law 113-128).

(B) Federally affiliated Youthbuild programs (29 U.S.C. Sec. 3226 et seq.).

(C) Federal job corps training or instruction provided pursuant to a memorandum of understanding with the federal provider.

(D) The California Conservation Corps or local conservation corps certified by the California Conservation Corps pursuant to Section 14406 or 14507.5 of the Public Resources Code.

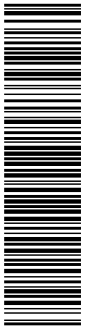
(2) "Homeless youth" has the same meaning as in Section 11434a(2) of Title 42 of the United States Code.

(f) For any program identified in law that utilized a calculation pursuant to the former Academic Performance Index established pursuant to this section, as this section read on January 1, 2018, the 2013 growth calculation shall be applied for those purposes. For purposes of Section 47607, alternative measures that show increases in pupil academic achievement for all groups of pupils schoolwide and among significant pupil subgroups may also be used.

SEC. 45. Section 52052.1 of the Education Code is repealed.

52052.1. ~~(a) Beginning July 1, 2011, in addition to the test scores specified in subparagraph (B) of paragraph (4) of subdivision (a) of Section 52052, the Academic Performance Index (API) for a school or school district shall do all of the following:~~

~~(1) Include the test scores and other accountability data of enrolled pupils who were referred by the school or school district of residence to an alternative education program, including community, community day, and continuation high schools and independent study, and be calculated by assigning all accountability data on pupils in alternative education programs, including community, community day, and continuation~~



high schools and independent study, to the school and school district of residence to ensure that placement decisions are in the best interests of affected pupils. If a pupil is referred to an alternative education program by a juvenile court judge or other correctional or judicial official, or if the pupil is expelled pursuant to subdivision (a) or (c) of Section 48915, the test scores of that pupil shall remain with the alternative education program and with the school district or county office of education serving that pupil. This section does not prohibit the alternative education program from counting the test scores of those pupils served in their alternative education program. It is the intent of the Legislature that these alternative education programs remain accountable to the pupils they serve.

(2) Exclude the test scores or other data of those pupils exempt pursuant to federal statute or federal regulation.

(3) Include school and school district dropout rates for pupils who drop out of school while enrolled in grade 8 or 9. If reliable data is not available by July 1, 2011, the Superintendent, on or before that date, shall report to the Legislature the reasons for the delay and date he or she anticipates the specified dropout rates will be included in the API.

(b) The advisory committee established pursuant to Section 52052.5 shall recommend to the Superintendent and the state board all of the following:

(1) The length of time for which the accountability data on pupils in alternative education programs shall be assigned to the school and school district of residence pursuant to paragraph (1) of subdivision (a).

(2) Whether it is appropriate to assign accountability data to the school or the school district, pursuant to paragraph (1) of subdivision (a), if the pupil never attended the school of residence or has been absent for more than one year from the school district of residence due to placement in another school or school district or out of state.

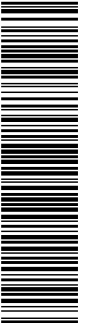
(c) Before January 30, 2014, the advisory committee established pursuant to Section 52052.5 shall review, and recommend to the Superintendent and the state board any changes proposed for, the assignment of accountability data to the school district of residence pursuant to paragraph (1) of subdivision (a) based on the addition of Sections 2574, 2575, 42238.02, and 42238.03, and Article 4.5 (commencing with Section 52060) by the act adding this subdivision.

SEC. 46. Section 52052.3 of the Education Code is repealed.

52052.3.— (a) As part of the alternative accountability system for schools developed pursuant to subdivision (g) of Section 52052, or any successor system, the Superintendent and the state board shall allow no more than 10 dropout recovery high schools, as defined in subdivision (b), to report, in lieu of other indicators, the results of an individual pupil growth model that is proposed by the school and certified by the Superintendent pursuant to subdivision (c).

(b) For purposes of this section, “dropout recovery high school” means a school offering instruction in any of grades 9 to 12, inclusive, in which 50 percent or more of its pupils are either designated as dropouts pursuant to the exit and withdrawal codes developed by the department or left a school and were not otherwise enrolled in a school for a period of at least 180 days and the school provides instruction in partnership with any of the following:

(1) The federal Workforce Innovation and Opportunity Act (Public Law 113-128).



(2) Federally affiliated Youthbuild programs (29 U.S.C. Sec. 3226 et seq.).

(3) Federal job corps training or instruction provided pursuant to a memorandum of understanding with the federal provider.

(4) The California Conservation Corps or local conservation corps certified by the California Conservation Corps pursuant to Section 14406 or 14507.5 of the Public Resources Code.

(e) A dropout recovery high school shall submit to the Superintendent a certification that the high school meets the criteria specified in subdivision (b) and provide a summary of data derived from the California Longitudinal Pupil Achievement Data System pursuant to Chapter 10 (commencing with Section 60900) of Part 33 to support that designation. A dropout recovery high school shall also submit a proposed individual pupil growth model, and the Superintendent shall review and certify that model if it meets all of the following criteria:

(1) The model measures learning based on valid and reliable nationally normed or criterion-referenced reading and mathematics tests.

(2) The model measures skills and knowledge aligned with state standards.

(3) The model measures the extent to which a pupil scored above an expected amount of growth based on the individual pupil's initial achievement score.

(4) The model demonstrates the extent to which a school is able to accelerate learning on an annual basis.

(d) This section shall remain in effect only until January 1, 2020, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2020, deletes or extends that date.

SEC. 47. Section 52052.5 of the Education Code is repealed.

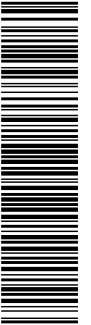
52052.5.—(a) The Superintendent shall establish a broadly representative and diverse advisory committee to advise the Superintendent and the state board on all appropriate matters relative to the creation of the Academic Performance Index. Members of the advisory committee shall serve without compensation for terms not to exceed two years. The department shall provide staff to the advisory panel.

(b) By July 1, 2005, the advisory committee established pursuant to this section shall make recommendations to the Superintendent on the appropriateness and feasibility of a methodology for generating a measurement of academic performance by using unique pupil identifiers for pupils in kindergarten and any of grades 1 to 12, inclusive, and annual academic achievement growth to provide a more accurate measure of a school's growth over time. If appropriate and feasible, the Superintendent, with the approval of the state board, shall thereafter implement this measurement of academic performance.

(c) By January 1, 2011, the Superintendent and the state board, in consultation with the advisory committee established pursuant to subdivision (a), shall make recommendations to the Legislature and the Governor on each of the following:

(1) Approaches to increasing the emphasis of science and mathematics in the calculation of the Academic Performance Index or any successor measure.

(2) Methods to incorporate into the Academic Performance Index, or into other aspects of the state's accountability system, a measure of the degree to which pupils graduate from high school with the skills and knowledge necessary to attain entry-level employment in business or industry, as set forth in subdivision (b) of Section 51228.





(3) Methods to incorporate into the Academic Performance Index, or into other aspects of the state's accountability system, a measure of the degree to which pupils graduate from high school with the skills and knowledge necessary to succeed in postsecondary education.

(d) By July 1, 2013, the Superintendent and the state board, in consultation with the advisory committee established pursuant to subdivision (a), shall make recommendations to the Legislature and the Governor on the establishment of a methodology for generating a measurement of group and individual academic performance growth by utilizing individual pupil results from a longitudinally valid achievement assessment system. These recommendations should also address any interactions between the Academic Performance Index, or any successor measure, and individual test scores from the state's tests, as well as implications for the reauthorization of the state's assessment system. This paragraph shall not be construed to supersede the provisions of Chapter 273 of the Statutes of 2009.

SEC. 48. Section 52052.6 of the Education Code is repealed.

52052.6. (a) It is the intent of the Legislature that, in conducting its responsibilities pursuant to subdivision (b) of Section 52052.5, the advisory committee take into consideration the recommendations of the California pilot study conducted pursuant to Provision 10 of Item 6110-113-0890 of the Budget Act of 2007, the statutory and regulatory requirements and related guidance pursuant to the federal Elementary and Secondary Education Act of 1965 (20 U.S.C. Sec. 6301 et seq.), and waivers for cohort growth measures approved for other states by the United States Secretary of Education.

(b) It is the intent of the Legislature that the advisory committee established pursuant to Section 52052.5 also consider measures already in use by other states to facilitate the identification of various performance levels of cohort growth, including, but not limited to, whether each pupil, subgroup, school, and school district made at least one year's academic growth in one year's time and whether the amount of academic growth is adequate to reach a performance level of proficient within a timeframe specified in the state's approved accountability plan required pursuant to the federal Elementary and Secondary Education Act of 1965 (20 U.S.C. Sec. 6301 et seq.), and to provide the ability to determine the following with reasonable statistical confidence:

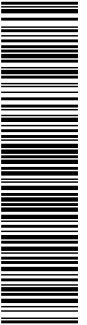
(1) High achievement with a growth rate indicating ability to remain at proficiency or to move into the highest range of achievement.

(2) High achievement with a growth rate indicating ability to remain at least at proficiency.

(3) Low achievement with a growth rate indicating ability to reach proficiency within a specified timeframe.

(4) Low achievement with a growth rate indicating significant inability to reach proficiency within a specified timeframe.

(e) If the advisory committee established pursuant to Section 52052.5 considers a measure of annual academic achievement growth pursuant to Section 52052.5, any measure of annual academic achievement growth by cohort approved in connection with requirements of Section 52052.5 or adopted through a state plan approved by the State Educational Agency pursuant to any provision, or waiver of, the federal Elementary and Secondary Education Act of 1965 (20 U.S.C. Sec. 6301 et seq.), or



any other plan submitted by the state as a requirement of receiving or allocating federal funds shall:

- (1) Utilize a growth model in the public domain that is not proprietary.
- (2) Be able to be replicated by an independent statistician.
- (3) Be able to be fully and accurately explained, including the generation of all results, the specification of the standard error, and the stringency of the confidence interval used to determine whether the annual change in test scores is statistically significant, in a document available to the public.

(d) The Legislature finds and declares the importance of transparency and full disclosure of the activities and recommendations of the advisory committee established pursuant to Section 52052.5. Therefore, the Legislature requests the advisory committee, in making any notification required by Article 9 (commencing with Section 11120) of Division 3 of Title 2 of the Government Code, to additionally notify in writing the chairpersons of the Committees on Education and on Appropriations of the Senate and Assembly, including, but not limited to, any activities that may be conducted pursuant to subdivision (c).

SEC. 49. Section 52052.9 of the Education Code is repealed.

52052.9. (a) On or before October 1, 2013, the Superintendent shall report to the Legislature and recommend to the state board for adoption a method or methods for increasing the emphasis on pupil mastery of standards in science and social science through the system of public school accountability or by other means.

(b) On or before October 1, 2013, the Superintendent, in consultation with the advisory committee established pursuant to Section 52052.5, shall report to the Legislature an alternative method or methods, in place of decile rank, for determining eligibility, preferences, or priorities for any statutory program that currently uses decile rank as a determining factor.

SEC. 50. Article 4.2 (commencing with Section 52059) of Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education Code is repealed.

SEC. 51. The heading of Article 4.5 (commencing with Section 52060) of Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education Code is amended to read:

Article 4.5. Local Control and Accountability Plans and the Statewide System of Support

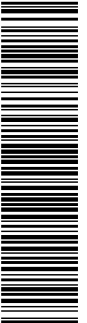
SEC. 52. Section 52059.5 is added to the Education Code, immediately preceding Section 52060, to read:

52059.5. (a) A single system for providing support to local educational agencies and schools pursuant to this article and for federal programs pursuant to the federal Elementary and Secondary Education Act (20 U.S.C. Sec. 6301 et seq.) is hereby established.

(b) The purpose of this statewide system of support is to build the capacity of local educational agencies to do all of the following:

(1) Support the continuous improvement of pupil performance within the state priorities as described in Sections 52060 and 52066.

(2) Address the gaps in achievement between pupil subgroups as described in Section 52052.



(3) Improve outreach and collaboration with stakeholders to ensure that goals, actions, and services as described in school district and county office of education local control and accountability plans reflect the needs of pupils and the community, especially for historically underrepresented or low-achieving populations.

SEC. 53. Section 52060 of the Education Code is amended to read:

52060. (a) On or before July 1, 2014, the governing board of each school district shall adopt a local control and accountability plan using a template adopted by the state board.

(b) A local control and accountability plan adopted by the governing board of a school district shall be effective for a period of three years, and shall be updated on or before July 1 of each year.

(c) A local control and accountability plan adopted by the governing board of a school district shall include, for the school district and each school within the school district, both of the following:

(1) A description of the annual goals, for all pupils and each subgroup of pupils identified pursuant to Section 52052, to be achieved for each of the state priorities identified in subdivision (d) and for any additional local priorities identified by the governing board of the school district. For purposes of this article, a subgroup of pupils identified pursuant to Section 52052 shall be a numerically significant pupil subgroup as specified in ~~paragraphs (2) and (3)~~ of subdivision (a) of Section 52052.

(2) A description of the specific actions the school district will take during each year of the local control and accountability plan to achieve the goals identified in paragraph (1), including the enumeration of any specific actions necessary for that year to correct any deficiencies in regard to the state priorities listed in paragraph (1) of subdivision (d). The specific actions shall not supersede the provisions of existing local collective bargaining agreements within the jurisdiction of the school district.

(d) All of the following are state priorities:

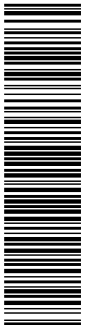
(1) The degree to which the teachers of the school district are appropriately assigned in accordance with Section 44258.9, and fully credentialed in the subject areas, and, for the pupils they are teaching, every pupil in the school district has sufficient access to the standards-aligned instructional materials as determined pursuant to Section 60119, and school facilities are maintained in good repair, as defined in subdivision (d) of Section 17002.

(2) Implementation of the academic content and performance standards adopted by the state board, including how the programs and services will enable English learners to access the common core academic content standards adopted pursuant to Section 60605.8 and the English language development standards adopted pursuant to former Section 60811.3, as that section read on June 30, 2013, or Section 60811.4, for purposes of gaining academic content knowledge and English language proficiency.

(3) Parental involvement, including efforts the school district makes to seek parent input in making decisions for the school district and each individual schoolsite, and including how the school district will promote parental participation in programs for unduplicated pupils and individuals with exceptional needs.

(4) Pupil achievement, as measured by all of the following, as applicable:

(A) Statewide assessments administered pursuant to Article 4 (commencing with Section 60640) of Chapter 5 of Part 33 or any subsequent assessment, as certified by the state board.



(B) The Academic Performance Index, as described in Section 52052.

(C) The percentage of pupils who have successfully completed courses that satisfy the requirements for entrance to the University of California and the California State University, or career technical education sequences or programs of study that align with state board-approved career technical education standards and frameworks, including, but not limited to, those described in subdivision (a) of Section 52302, subdivision (a) of Section 52372.5, or paragraph (2) of subdivision (e) of Section 54692.

(D) The percentage of English learner pupils who make progress toward English proficiency as measured by the California English Language Development Test or any subsequent assessment of English proficiency, as certified by the state board.

(E) The English learner reclassification rate.

(F) The percentage of pupils who have passed an advanced placement examination with a score of 3 or higher.

(G) The percentage of pupils who participate in, and demonstrate college preparedness pursuant to, the Early Assessment Program, as described in Chapter 6 (commencing with Section 99300) of Part 65 of Division 14 of Title 3, or any subsequent assessment of college preparedness.

(5) Pupil engagement, as measured by all of the following, as applicable:

(A) School attendance rates.

(B) Chronic absenteeism rates.

(C) ~~Middle school dropout rates, as described in paragraph (3) of subdivision (a) of Section 52052.1. rates.~~

(D) High school dropout rates.

(E) High school graduation rates.

(6) School climate, as measured by all of the following, as applicable:

(A) Pupil suspension rates.

(B) Pupil expulsion rates.

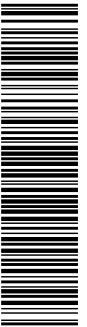
(C) Other local measures, including surveys of pupils, parents, and teachers on the sense of safety and school connectedness.

(7) The extent to which pupils have access to, and are enrolled in, a broad course of study that includes all of the subject areas described in Section 51210 and subdivisions (a) to (i), inclusive, of Section 51220, as applicable, including the programs and services developed and provided to unduplicated pupils and individuals with exceptional needs, and the programs and services that are provided to benefit these pupils as a result of the funding received pursuant to Section 42238.02, as implemented by Section 42238.03.

(8) Pupil outcomes, if available, in the subject areas described in Section 51210 and subdivisions (a) to (i), inclusive, of Section 51220, as applicable.

(e) For purposes of the descriptions required by subdivision (c), the governing board of a school district may consider qualitative information, including, but not limited to, findings that result from school quality reviews conducted pursuant to ~~subparagraph (J) of paragraph (4) of subdivision (a) (b)~~ of Section 52052 or any other reviews.

(f) To the extent practicable, data reported in a local control and accountability plan shall be reported in a manner consistent with how information is reported on a school accountability report card.



(g) The governing board of a school district shall consult with teachers, principals, administrators, other school personnel, local bargaining units of the school district, parents, and pupils in developing a local control and accountability plan.

(h) A school district may identify local priorities, goals in regard to the local priorities, and the method for measuring the school district's progress toward achieving those goals.

SEC. 54. Section 52062 of the Education Code is amended to read:

52062. (a) Before the governing board of a school district considers the adoption of a local control and accountability plan or an annual update to the local control and accountability plan, all of the following shall occur:

(1) The superintendent of the school district shall present the local control and accountability plan or annual update to the local control and accountability plan to the parent advisory committee established pursuant to Section 52063 for review and comment. The superintendent of the school district shall respond, in writing, to comments received from the parent advisory committee.

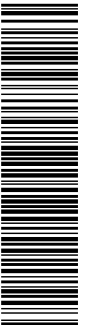
(2) The superintendent of the school district shall present the local control and accountability plan or annual update to the local control and accountability plan to the English learner parent advisory committee established pursuant to Section 52063, if applicable, for review and comment. The superintendent of the school district shall respond, in writing, to comments received from the English learner parent advisory committee.

(3) The superintendent of the school district shall notify members of the public of the opportunity to submit written comments regarding the specific actions and expenditures proposed to be included in the local control and accountability plan or annual update to the local control and accountability plan, using the most efficient method of notification possible. This paragraph shall not require a school district to produce printed notices or to send notices by mail. The superintendent of the school district shall ensure that all written notifications related to the local control and accountability plan or annual update to the local control and accountability plan are provided consistent with Section 48985.

(4) The superintendent of the school district shall review school plans submitted pursuant to Section 64001 for schools within the school district and ensure that the specific actions included in the local control and accountability plan or annual update to the local control and accountability plan are consistent with strategies included in the school plans submitted pursuant to Section 64001.

(5) The superintendent of the school district shall consult with its special education local plan area administrator or administrators to determine that specific actions for individuals with exceptional needs are included in the local control and accountability plan or annual update to the local control and accountability plan, and are consistent with strategies included in the annual assurances support plan for the education of individuals with exceptional needs.

(b) (1) A governing board of a school district shall hold at least one public hearing to solicit the recommendations and comments of members of the public regarding the specific actions and expenditures proposed to be included in the local control and accountability plan or annual update to the local control and accountability plan. The agenda for the public hearing shall be posted at least 72 hours before the public hearing and shall include the location where the local control and accountability plan or annual



update to the local control and accountability plan will be available for public inspection. The public hearing shall be held at the same meeting as the public hearing required by paragraph (1) of subdivision (a) of Section 42127.

(2) A governing board of a school district shall adopt a local control and accountability plan or annual update to the local control and accountability plan in a public meeting. This meeting shall be held after, but not on the same day as, the public hearing held pursuant to paragraph (1). This meeting shall be the same meeting as that during which the governing board of the school district adopts a budget pursuant to paragraph (2) of subdivision (a) of Section 42127.

(c) A governing board of a school district may adopt revisions to a local control and accountability plan during the period the local control and accountability plan is in effect. A governing board of a school district may only adopt a revision to a local control and accountability plan if it follows the process to adopt a local control and accountability plan pursuant to this section and the revisions are adopted in a public meeting.

SEC. 55. Section 52064 of the Education Code is amended to read:

52064. (a) On or before March 31, 2014, the state board shall adopt templates for the following purposes:

(1) For use by school districts to meet the requirements of Sections 52060 to 52063, inclusive.

(2) For use by county superintendents of schools to meet the requirements of Sections 52066 to 52069, inclusive.

(3) For use by charter schools to meet the requirements of Section 47606.5.

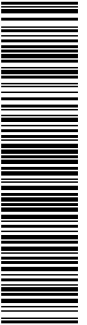
(b) The templates developed by the state board shall allow a school district, county superintendent of schools, or charter school to complete a single local control and accountability plan to meet the requirements of this article and the requirements of the federal No Child Left Behind Act of 2001 related to local educational agency plans pursuant to Section 1112 of Subpart 1 of Part A of Title I of Public Law 107-110. The state board shall also take steps to minimize duplication of effort at the local level to the greatest extent possible. The template shall include guidance for school districts, county superintendents of schools, and charter schools to report both of the following:

(1) A listing and description of expenditures for the 2014–15 fiscal year, and each fiscal year thereafter, implementing the specific actions included in the local control and accountability plan.

(2) A listing and description of expenditures for the 2014–15 fiscal year, and each fiscal year thereafter, that will serve the pupils to whom one or more of the definitions in Section 42238.01 apply and pupils redesignated as fluent English proficient.

(c) If possible, the templates identified in paragraph (2) of subdivision (a) for use by county superintendents of schools shall allow a county superintendent of schools to develop a single local control and accountability plan that would also satisfy the requirements of Section 48926.

(d) The state board shall adopt the template pursuant to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The state board may adopt emergency regulations for purposes of implementing this section. The adoption of



emergency regulations shall be deemed an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare.

(e) Notwithstanding subdivision (d), the state board may adopt or revise the template in accordance with the requirements of the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code). When adopting the template pursuant to the requirements of the Bagley-Keene Open Meeting Act, the state board shall present the template at a regular meeting and may only take action to adopt the template at a subsequent regular meeting. This subdivision shall become inoperative on ~~December 31, 2018~~ January 31, 2019.

(f) Revisions to a template shall be approved by the state board by January 31 before the fiscal year during which the template is to be used by a school district, county superintendent of schools, or charter school.

(g) The adoption of a template or evaluation rubric by the state board shall not create a requirement for a governing board of a school district, a county board of education, or a governing body of a charter school to submit a local control and accountability plan to the state board, unless otherwise required by federal law. The Superintendent shall not require a local control and accountability plan to be submitted by a governing board of a school district or the governing body of a charter school to the state board. The state board may adopt a template or evaluation rubric that would authorize a school district or a charter school to submit to the state board only the sections of the local control and accountability plan required by federal law.

SEC. 56. Section 52064.5 of the Education Code is amended to read:

52064.5. (a) On or before October 1, 2016, the state board shall adopt evaluation rubrics for all of the following purposes:

(1) To assist a school district, county office of education, or charter school in evaluating its strengths, weaknesses, and areas that require improvement.

(2) To assist a county superintendent of schools in identifying school districts and charter schools in need of technical assistance pursuant to Section 52071 or 47607.3, as applicable, and the specific priorities upon which the technical assistance should be focused.

(3) To assist the Superintendent in identifying school districts for which intervention pursuant to Section 52072 is warranted.

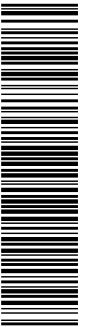
(b) The evaluation rubrics shall reflect a holistic, multidimensional assessment of school district and individual schoolsite performance and shall include all of the state priorities described in subdivision (d) of Section 52060.

(c) As part of the evaluation rubrics, the state board shall adopt state and local indicators to measure school district and individual schoolsite performance in regard to each of the state priorities described in subdivision (d) of Section 52060.

(d) The state board may adopt alternate methods for calculating the state and local indicators described in subdivision (c) for alternative schools, as described in subdivision (d) of Section 52052, if appropriate to more fairly evaluate the performance of these schools or of a specific category of these schools. Alternate methods may include an individual pupil growth model.

(e)

(e) As part of the evaluation rubrics, the state board shall adopt standards for school district and individual schoolsite performance and expectations for improvement



in regard to each of the state priorities described in subdivision (d) of Section 52060. The standards shall be based on the state and local indicators specified in subdivision (c).

(f) The department, in collaboration with, and subject to the approval of, the executive director of the state board, shall develop and maintain the California School Dashboard, a Web-based system for publicly reporting performance data on the state and local indicators included in the evaluation rubrics.

(g) As part of the evaluation rubrics, the state board shall adopt performance criteria for local educational agency assistance and intervention pursuant to Sections 47607.3, 52071, 52071.5, 52072, and 52072.5. The criteria shall be based on performance by pupil subgroups either across two or more of the state and local indicators specified in subdivision (c) or across two or more of the state priorities described in subdivision (d) of Section 52060 and subdivision (d) of Section 52066.

SEC. 57. Section 52066 of the Education Code is amended to read:

52066. (a) On or before July 1, 2014, each county superintendent of schools shall develop, and present to the county board of education for adoption, a local control and accountability plan using a template adopted by the state board.

(b) A local control and accountability plan adopted by a county board of education shall be effective for a period of three years, and shall be updated on or before July 1 of each year.

(c) A local control and accountability plan adopted by a county board of education shall include, for each school or program operated by the county superintendent of schools, both of the following:

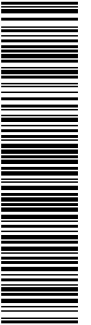
(1) A description of the annual goals, for all pupils and each subgroup of pupils identified pursuant to Section 52052, to be achieved for each of the state priorities identified in subdivision (d), as applicable to the pupils served, and for any additional local priorities identified by the county board of education.

(2) A description of the specific actions the county superintendent of schools will take during each year of the local control and accountability plan to achieve the goals identified in paragraph (1), including the enumeration of any specific actions necessary for that year to correct any deficiencies in regard to the state priorities listed in paragraph (1) of subdivision (d). The specific actions shall not supersede the provisions of existing local collective bargaining agreements within the jurisdiction of the county superintendent of schools.

(d) All of the following are state priorities:

(1) The degree to which the teachers in the schools or programs operated by the county superintendent of schools are appropriately assigned in accordance with Section 44258.9 and fully credentialed in the subject areas, and, for the pupils they are teaching, every pupil in the schools or programs operated by the county superintendent of schools has sufficient access to the standards-aligned instructional materials as determined pursuant to Section 60119, and school facilities are maintained in good repair as specified in subdivision (d) of Section 17002.

(2) Implementation of the academic content and performance standards adopted by the state board, including how the programs and services will enable English learners to access the common core academic content standards adopted pursuant to Section 60605.8 and the English language development standards adopted pursuant to Section





60811.3 for purposes of gaining academic content knowledge and English language proficiency.

(3) Parental involvement, including efforts the county superintendent of schools makes to seek parent input in making decisions for each individual schoolsite and program operated by a county superintendent of schools, and including how the county superintendent of schools will promote parental participation in programs for unduplicated pupils and individuals with exceptional needs.

(4) Pupil achievement, as measured by all of the following, as applicable:

(A) Statewide assessments administered pursuant to Article 4 (commencing with Section 60640) of Chapter 5 of Part 33 or any subsequent assessment, as certified by the state board.

(B) The Academic Performance Index, as described in Section 52052.

(C) The percentage of pupils who have successfully completed courses that satisfy the requirements for entrance to the University of California and the California State University, or career technical education sequences or programs of study that align with state board-approved career technical education standards and frameworks, including, but not limited to, those described in subdivision (a) of Section 52302, subdivision (a) of Section 52372.5, or paragraph (2) of subdivision (e) of Section 54692.

(D) The percentage of English learner pupils who make progress toward English proficiency as measured by the California English Language Development Test or any subsequent assessment of English proficiency, as certified by the state board.

(E) The English learner reclassification rate.

(F) The percentage of pupils who have passed an advanced placement examination with a score of 3 or higher.

(G) The percentage of pupils who participate in, and demonstrate college preparedness pursuant to, the Early Assessment Program, as described in Chapter 6 (commencing with Section 99300) of Part 65 of Division 14 of Title 3, or any subsequent assessment of college preparedness.

(5) Pupil engagement, as measured by all of the following, as applicable:

(A) School attendance rates.

(B) Chronic absenteeism rates.

(C) ~~Middle school dropout rates, as described in paragraph (3) of subdivision (a) of Section 52052.1. rates.~~

(D) High school dropout rates.

(E) High school graduation rates.

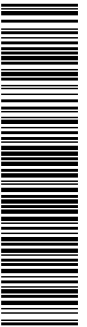
(6) School climate, as measured by all of the following, as applicable:

(A) Pupil suspension rates.

(B) Pupil expulsion rates.

(C) Other local measures, including surveys of pupils, parents, and teachers on the sense of safety and school connectedness.

(7) The extent to which pupils have access to, and are enrolled in, a broad course of study that includes all of the subject areas described in Section 51210 and subdivisions (a) to (i), inclusive, of Section 51220, as applicable, including the programs and services developed and provided to unduplicated pupils and individuals with exceptional needs, and the program and services that are provided to benefit these



pupils as a result of the funding received pursuant to Section 42238.02, as implemented by Section 42238.03.

(8) Pupil outcomes, if available, in the subject areas described in Section 51210 and subdivisions (a) to (i), inclusive, of Section 51220, as applicable.

(9) How the county superintendent of schools will coordinate instruction of expelled pupils pursuant to Section 48926.

(10) How the county superintendent of schools will coordinate services for foster children, including, but not limited to, all of the following:

(A) Working with the county child welfare agency to minimize changes in school placement.

(B) Providing education-related information to the county child welfare agency to assist the county child welfare agency in the delivery of services to foster children, including, but not limited to, educational status and progress information that is required to be included in court reports.

(C) Responding to requests from the juvenile court for information and working with the juvenile court to ensure the delivery and coordination of necessary educational services.

(D) Establishing a mechanism for the efficient expeditious transfer of health and education records and the health and education passport.

(e) For purposes of the descriptions required by subdivision (c), a county board of education may consider qualitative information, including, but not limited to, findings that result from school quality reviews conducted pursuant to ~~subparagraph (J) of paragraph (4) of subdivision (a) (b)~~ of Section 52052 or any other reviews.

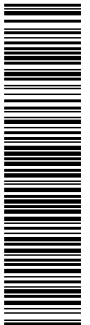
(f) To the extent practicable, data reported in a local control and accountability plan shall be reported in a manner consistent with how information is reported on a school accountability report card.

(g) The county superintendent of schools shall consult with teachers, principals, administrators, other school personnel, local bargaining units of the county office of education, parents, and pupils in developing a local control and accountability plan.

(h) A county board of education may identify local priorities, goals in regard to the local priorities, and the method for measuring the county office of education's progress toward achieving those goals.

(i) (1) Beginning with the 2018–19 fiscal year and in each fiscal year thereafter, a county superintendent of schools shall prepare a summary of how the county superintendent of schools plans to support school districts and schools within the county in implementing the provisions of this article and present the summary to the county board of education at the same public meeting required under paragraph (2) of subdivision (b) of Section 52068. The summary shall include, but is not necessarily limited to, all of the following:

(A) A description of how the county superintendent of schools will support the continuous improvement of all school districts within the county, including steps that the county superintendent of schools plans to take to collaborate with the California Collaborative for Educational Excellence, the department, the lead agencies specified in Sections 52073 and 52073.1, and other county superintendents of schools to support school districts and schools within the county in implementing the provisions of this article.



(B) A description of how the county superintendent of schools will assist each school district identified for technical assistance pursuant to subdivision (c) of Section 52071 in improving pupil outcomes, including, at a minimum, a clear identification of the activities being performed by the county office of education and the source of funding for those activities. This description shall include the actions the school district will take independent of the county superintendent of schools to improve pupil outcomes pursuant to paragraph (3) of subdivision (c) of Section 52071.

~~(A)~~

(C) One or more goals for each of the following:

(i) Completing the review of local control and accountability plans submitted by school districts pursuant to Section 52070.

(ii) Providing technical assistance to school districts pursuant to subdivisions (a) and (b) of Section 52071.

(iii) Providing any other support to school districts and schools within the county in implementing the provisions of this article.

~~(B)~~

(D) One or more metrics to assess progress toward each goal identified in subparagraph ~~(A)~~. (C).

~~(C)~~

(E) Specific actions and related expenditures to achieve each goal identified in subparagraph ~~(A)~~. (C), to the extent this information is not provided pursuant to subparagraph (B). The specific actions shall not supersede the provisions of existing local collective bargaining agreements within the jurisdiction of the county superintendent of schools.

~~(2) The summary required by paragraph (1) shall identify steps that the county superintendent of schools plans to take to collaborate with the California Collaborative for Educational Excellence, the department, and other county superintendents of schools to support school districts and schools within the county in implementing the provisions of this article.~~

(2) Commencing with the 2019–20 fiscal year and in each fiscal year thereafter, the county superintendent of schools shall submit the summary described in this subdivision with its local control and accountability plan pursuant to subdivision (a) of Section 52070.5.

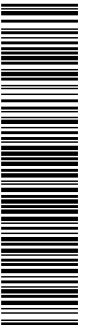
(3) This subdivision shall not apply to a county superintendent of schools with jurisdiction over a single school district.

(4) On or before November 1 of each year, the department shall compile the information provided by county superintendents of schools pursuant to subparagraphs (A) and (B) of paragraph (1) into a single document and shall make this report available to the public on the department's Internet Web site.

SEC. 58. Section 52068 of the Education Code is amended to read:

52068. (a) Before the county board of education considers the adoption of a local control and accountability plan or an annual update to the local control and accountability plan, all of the following shall occur:

(1) The county superintendent of schools shall present the local control and accountability plan or annual update to the local control and accountability plan to a parent advisory committee established pursuant to Section 52069 for review and



comment. The county superintendent of schools shall respond, in writing, to comments received from the parent advisory committee.

(2) The county superintendent of schools shall present the local control and accountability plan or annual update to the local control and accountability plan to the English learner parent advisory committee established pursuant to Section 52069, if applicable, for review and comment. The county superintendent of schools shall respond, in writing, to comments received from the English learner parent advisory committee.

(3) The county superintendent of schools shall notify members of the public of the opportunity to submit written comments regarding the specific actions and expenditures proposed to be included in the local control and accountability plan or annual update to the local control and accountability plan, using the most efficient method of notification possible. This paragraph shall not require a county superintendent of schools to produce printed notices or to send notices by mail. The county superintendent of schools shall ensure that all written notifications related to the local control and accountability plan or annual update to the local control and accountability plan are provided consistent with Section 48985.

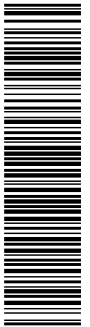
(4) The county superintendent of schools shall review school plans submitted pursuant to Section 64001 for schools operated by the county superintendent of schools and ensure that the specific actions included in the local control and accountability plan or annual update to the local control and accountability plan are consistent with strategies included in the school plans submitted pursuant to Section 64001.

(5) The county superintendent of schools shall consult with its special education local plan area administrator or administrators to determine that specific actions for individuals with exceptional needs are included in the local control and accountability plan or annual update to the local control and accountability plan, and are consistent with strategies included in the annual assurances support plan for the education of individuals with exceptional needs.

(b) (1) The county board of education shall hold at least one public hearing to solicit the recommendations and comments of members of the public regarding the specific actions and expenditures proposed to be included in the local control and accountability plan or annual update to the local control and accountability plan. The agenda for the public hearing shall be posted at least 72 hours before the public hearing and shall include the location where the local control and accountability plan or annual update to the local control and accountability plan, and any comments received pursuant to paragraphs (1) to (3), inclusive, of subdivision (a), will be available for public inspection. The public hearing shall be held at the same meeting as the public hearing required by Section 1620.

(2) The county board of education shall adopt a local control and accountability plan or annual update to the local control and accountability plan in a public meeting. This meeting shall be held after, but not on the same day as, the public hearing held pursuant to paragraph (1). This meeting shall be the same meeting as that during which the county board of education adopts a budget pursuant to Section 1622.

(c) A county superintendent of schools may develop and present to a county board of education for adoption revisions to a local control and accountability plan during the period the local control and accountability plan is in effect. The county board of education may only adopt a revision to a local control and accountability plan



if it follows the process to adopt a local control and accountability plan pursuant to this section and the revisions are adopted in a public meeting.

SEC. 59. Section 52071 of the Education Code is repealed.

~~52071. (a) If a county superintendent of schools does not approve a local control and accountability plan or annual update to the local control and accountability plan approved by a governing board of a school district, or if the governing board of a school district requests technical assistance, the county superintendent of schools shall provide technical assistance, including, among other things, any of the following:~~

~~(1) Identification of the school district's strengths and weaknesses in regard to the state priorities described in subdivision (d) of Section 52060, communicated in writing to the school district. This identification shall include a review of effective, evidence-based programs that apply to the school district's goals.~~

~~(2) Assignment of an academic expert or team of academic experts to assist the school district in identifying and implementing effective programs that are designed to improve the outcomes for all pupil subgroups identified pursuant to Section 52052. The county superintendent of schools may also solicit another school district within the county to act as a partner to the school district in need of technical assistance.~~

~~(3) Request that the California Collaborative for Educational Excellence provide advice and assistance to the school district.~~

~~(b) Using an evaluation rubric adopted by the state board pursuant to Section 52064.5, the county superintendent of schools shall provide the technical assistance described in subdivision (a) to any school district that fails to improve pupil achievement across more than one state priority described in subdivision (d) of Section 52060 for one or more pupil subgroups identified pursuant to Section 52052.~~

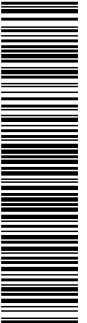
~~(c) Technical assistance provided pursuant to this section at the request of a school district shall be paid for by the school district requesting the assistance.~~

SEC. 60. Section 52071 is added to the Education Code, to read:

52071. (a) If the governing board of a school district requests technical assistance, the county superintendent of schools shall provide technical assistance consistent with paragraphs (1) or (2) of subdivision (c). If a school district has not been identified for technical assistance pursuant to subdivision (c) or for state intervention pursuant to subdivisions (b) and (c) of Section 52072, and if the service requested creates an unreasonable or untenable cost burden for the county superintendent of schools, the county superintendent of schools may assess the school district a fee not to exceed the cost of the service. This section shall not preclude a school district from soliciting technical assistance from entities other than its county superintendent of schools at its own cost.

(b) If a county superintendent of schools does not approve a local control and accountability plan or annual update to the local control and accountability plan approved by a governing board of a school district, the county superintendent of schools shall provide technical assistance focused on revising the local control and accountability plan or annual update so that it can be approved.

(c) For any school district for which one or more pupil subgroups identified pursuant to Section 52052 meets the criteria established pursuant to subdivision (g) of Section 52064.5, the county superintendent of schools shall provide technical assistance focused on building the school district's capacity to develop and implement actions



and services responsive to pupil and community needs, including, but not limited to, any of the following:

(1) Assisting the school district to identify its strengths and weaknesses in regard to the state priorities described in subdivision (d) of Section 52060. This shall include working collaboratively with the school district to review performance data on the state and local indicators included in the California School Dashboard authorized by subdivision (f) of Section 52064.5 and other relevant local data, and to identify effective, evidence-based programs or practices that address any areas of weakness.

(2) Working collaboratively with the school district to secure assistance from an academic, programmatic, or fiscal expert or team of experts to identify and implement effective programs and practices that are designed to improve performance in any areas of weakness identified by the school district. The county superintendent of schools may solicit another service provider, which may include a school district, a county office of education, or a charter school, to act as a partner to the school district in need of technical assistance.

(3) Obtaining from the school district timely documentation demonstrating that it has completed the activities described in paragraphs (1) and (2), or substantially similar activities, or has selected another service provider to work with the school district to complete the activities described in paragraphs (1) and (2), or substantially similar activities, and ongoing communication with the school district to assess the school district's progress in improving pupil outcomes.

(4) Requesting that the California Collaborative for Educational Excellence provide advice and assistance to the school district, pursuant to subdivision (g) of Section 52074.

(d) A lead agency identified pursuant to Section 52073 may provide the technical assistance required by subdivision (c) on behalf of a county superintendent of schools at the request of a county superintendent of schools.

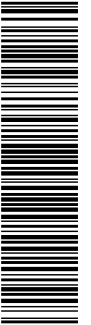
(e) Upon request of a county superintendent of schools or a school district, a lead agency identified pursuant to Section 52073 may provide assistance, including, but not limited to, the identification of strengths and weaknesses, the identification of effective, evidence-based programs or practices that address any areas of weakness, or securing assistance from an academic, programmatic, or fiscal expert or team of experts. A lead agency identified pursuant to Section 52073 may request that another lead agency or the California Collaborative for Educational Excellence provide the assistance described in this subdivision.

(f) A school district shall accept the technical assistance provided by the county superintendent of schools pursuant to subdivisions (b) and (c).

SEC. 61. Section 52071.5 of the Education Code is amended to read:

52071.5. (a) If the Superintendent does not approve a local control and accountability plan or annual update to the local control and accountability plan approved by a county board of education, or if the county board of education requests technical assistance, the Superintendent shall provide technical assistance, ~~including, among other things, any of the following:~~ assistance focused on revising the local control and accountability plan or annual update so that it can be approved.

~~(1) Identification of the county board of education's strengths and weaknesses in regard to the state priorities described in subdivision (d) of Section 52066,~~



communicated in writing to the county board of education. This identification shall include a review of effective, evidence-based programs that apply to the board's goals.

~~(2) Assignment of an academic expert or team of academic experts, or request the California Collaborative for Educational Excellence established pursuant to Section 52074, to assist the county board of education in identifying and implementing effective programs that are designed to improve the outcomes for all pupil subgroups identified pursuant to Section 52052. The Superintendent may also solicit another county office of education to act as a partner to the county office of education in need of technical assistance.~~

~~(b) Using an evaluation rubric adopted by the state board pursuant to Section 52064.5, the Superintendent shall provide the technical assistance described in subdivision (a) to any county office of education that fails to improve pupil achievement in regard to more than one state priority described in subdivision (d) of Section 52066 for one or more pupil subgroups identified pursuant to Section 52052.~~

(b) For any county office of education for which one or more pupil subgroups identified pursuant to Section 52052 meets the criteria established pursuant to subdivision (g) of Section 52064.5, the Superintendent shall provide technical assistance focused on building the county office of education's capacity to develop and implement actions and services responsive to pupil and community needs, including, among other things, any of the following:

(1) Assisting the county office of education to identify its strengths and weaknesses in regard to the state priorities described in subdivision (d) of Section 52066. This shall include working collaboratively with the county office of education to review performance data on the state and local indicators included in the California School Dashboard authorized by subdivision (f) of Section 52064.5 and other relevant local data, and to identify effective, evidence-based programs or practices that address any areas of weakness.

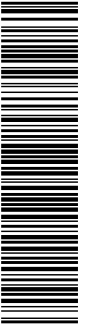
(2) Working collaboratively with the county office of education to secure assistance from an academic expert or team of academic experts to identify and implement effective programs that are designed to improve performance in any areas of weakness identified by the county office of education. The Superintendent may solicit another service provider, which may include a school district, a county office of education, or a charter school, to act as a partner to the county office of education in need of technical assistance.

(3) Obtaining from the county office of education timely documentation demonstrating that it has completed the activities described in paragraphs (1) and (2), or substantially similar activities, and ongoing communication with the county office of education to assess the county office of education's progress in improving pupil outcomes.

(4) Requesting that the California Collaborative for Educational Excellence provide advice and assistance to the county office of education pursuant to subdivision (g) of Section 52074.

(c) Technical assistance provided pursuant to this section at the request of a county board of education shall be paid for by the county board of education receiving assistance.

SEC. 62. Section 52072 of the Education Code is amended to read:



52072. (a) The Superintendent may, with the approval of the state board, identify school districts in need of intervention.

(b) The Superintendent shall only intervene in a school district that meets both of the following criteria:

(1) The school district ~~did not improve the outcomes~~ meets the criteria established pursuant to subdivision (g) of Section 52064.5 for three or more pupil subgroups identified pursuant to Section 52052 or, if the school district has less than three pupil subgroups, all of the school district's pupil subgroups, ~~in regard to more than one state or local priority~~ in three out of four consecutive school years.

(2) The California Collaborative for Educational Excellence has provided advice and assistance to the school district pursuant to Section 52071 and submits either of the following findings to the Superintendent:

(A) That the school district has failed, or is unable, to implement the recommendations of the California Collaborative for Educational Excellence.

(B) That the inadequate performance of the school district, based upon an evaluation rubric adopted pursuant to Section 52064.5, is either so persistent or acute as to require intervention by the Superintendent.

(c) For school districts identified pursuant to subdivision (a), the Superintendent may, with the approval of the state board, do one or more of the following:

(1) Make changes to a local control and accountability plan adopted by the governing board of the school district.

(2) Develop and impose a budget revision, in conjunction with revisions to the local control and accountability plan, that the Superintendent determines would allow the school district to improve the outcomes for all pupil subgroups identified pursuant to Section 52052 in regard to state and local priorities.

(3) Stay or rescind an action, if that action is not required by a local collective bargaining agreement, that would prevent the school district from improving outcomes for all pupil subgroups identified pursuant to Section 52052 in regard to state or local priorities.

(4) Appoint an academic trustee to exercise the powers and authority specified in this section on his or her behalf.

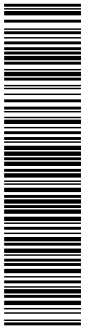
(d) The Superintendent shall notify the county superintendent of schools, the county board of education, the superintendent of the school district, and the governing board of the school district of any action by the state board to direct him or her to exercise any of the powers and authorities specified in this section.

SEC. 63. Section 52072.5 of the Education Code is amended to read:

52072.5. (a) The Superintendent may, with the approval of the state board, identify county offices of education in need of intervention.

(b) The Superintendent shall only intervene in a county office of education that meets both of the following criteria:

(1) The county office of education ~~did not improve the outcomes~~ meets the criteria established pursuant to subdivision (g) of Section 52064.5 for three or more pupil subgroups identified pursuant to Section 52052 or, if the county office of education has less than three pupil subgroups, all of the county office of education's pupil subgroups, ~~in regard to more than one state or local priority~~ in three out of four consecutive school years.





(2) The California Collaborative for Educational Excellence has provided advice and assistance to the county office of education pursuant to Section 52071.5 and submits either of the following findings to the Superintendent:

(A) That the county office of education has failed, or is unable, to implement the recommendations of the California Collaborative for Educational Excellence.

(B) That the inadequate performance of the county office of education, based upon an evaluation rubric adopted pursuant to Section 52064.5, is either so persistent or acute as to require intervention by the Superintendent.

(c) For county offices of education identified pursuant to subdivision (a), the Superintendent may, with the approval of the state board, do one or more of the following:

(1) Make changes to a local control and accountability plan adopted by the county board of education.

(2) Develop and impose a budget revision, in conjunction with revisions to the local control and accountability plan, that the Superintendent determines would allow the county office of education to improve the outcomes for all pupil subgroups identified pursuant to Section 52052 in regard to state and local priorities.

(3) Stay or rescind an action, if that action is not required by a local collective bargaining agreement, that would prevent the county office of education from improving outcomes for all pupil subgroups identified pursuant to Section 52052 in regard to state or local priorities.

(4) Appoint an academic trustee to exercise the powers and authority specified in this section on his or her behalf.

(d) The Superintendent shall notify the county board of education and the county superintendent of schools, in writing, of any action by the state board to direct him or her to exercise any of the powers and authorities specified in this section.

SEC. 64. Section 52073 is added to the Education Code, to read:

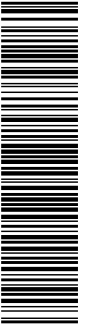
52073. (a) (1) By September 1, 2018, the California Collaborative for Educational Excellence and the department shall establish a process, administered by the department, to select, subject to approval by the executive director of the state board and the Director of Finance, county offices of education to serve as lead agencies to conduct the activities required pursuant to this section.

(2) (A) The department, the California Collaborative for Educational Excellence, and the lead agencies shall work collaboratively to advance the purpose of the statewide system of support specified in subdivision (b) of Section 52059.5.

(B) The department and the California Collaborative for Educational Excellence shall establish a formal process to ensure that the department, the California Collaborative for Educational Excellence, and the lead agencies communicate with each other regularly.

(C) The department and the California Collaborative for Educational Excellence shall establish a process for the department, the California Collaborative for Educational Excellence, and the lead agencies to engage with stakeholders to inform each entity's work within the statewide system of support established by Section 52059.5.

(3) The process to select lead agencies shall ensure that no fewer than six and no more than 10 lead agencies are selected in a manner to ensure statewide coverage. Lead agencies shall be selected for a term not to exceed five years.



(4) The process to select lead agencies shall, at a minimum, specify that a county office of education applying to be a lead agency demonstrate all of the following:

(A) Appropriate expertise with the state priorities identified in subdivision (d) of Section 52060 and subdivision (d) of Section 52066 and with federal programs, which may include a plan to partner or subcontract, as appropriate, with county offices of education or other entities for that expertise.

(B) Ability to build the capacity of county offices of education within a defined geographic area to provide effective assistance and support to school districts under the state priorities identified in subdivision (d) of Section 52060 and federal programs.

(C) Capacity and willingness to provide necessary assistance and support to other county offices of education.

(D) Ability to coordinate and calibrate assistance and support provided to local educational agencies within a defined geographic area and with other lead agencies, the California Collaborative for Educational Excellence, and the department.

(E) Willingness to establish goals and be held accountable for improved performance across multiple measures within a defined geographic area.

(5) A county office of education may partner as a consortium with other local educational agencies, institutions of higher education, or nonprofit educational services providers to submit a proposal to serve as a lead agency.

(b) (1) A lead agency shall have all of the following responsibilities:

(A) Assist in building the capacity of county offices of education within the lead agency's defined geographic area to provide effective assistance and support to school districts under the state priorities identified in subdivision (d) of Section 52060 and federal programs.

(B) Coordinate and calibrate assistance and support provided to local educational agencies within its defined geographic area and with other lead agencies, the California Collaborative for Educational Excellence, and the department.

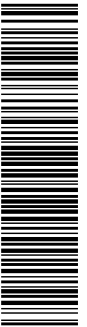
(C) Provide assistance and support if another county office of education within the lead agency's defined geographic area is unable to provide appropriate assistance and support to one or more school districts in that county office of education's boundaries.

(D) Identify existing resources, professional development activities, and other efforts currently available within its designated geographic area to assist school districts and county offices of education to improve outcomes under the state priorities identified in subdivision (d) of Section 52060 and subdivision (d) of Section 52066, and upon request, share information about these existing resources.

(E) Upon request by the department and the California Collaborative for Educational Excellence, develop new resources and activities, designed to build capacity within school districts and county offices of education across the state under the state priorities identified in subdivision (d) of Section 52060 and subdivision (d) of Section 52066 or other areas of identified need.

(F) Other duties as specified by the department and the California Collaborative for Educational Excellence as part of the process to select lead agencies.

(2) A lead agency may enter into subcontracts with one or more local educational agencies, institutions of higher education, or nonprofit educational services providers to assist in fulfilling the responsibilities described in this subdivision.



(c) The California Collaborative for Educational Excellence, in consultation with the department, shall assist the lead agencies in fulfilling the responsibilities described in subdivision (b).

(d) (1) At the conclusion of the term for each selected lead agency, the department and the California Collaborative for Educational Excellence may renew the selection of the existing lead agency or reopen the selection of a lead agency in a manner consistent with subdivision (a).

(2) Before renewing the selection of an existing lead agency, the department and the California Collaborative for Educational Excellence shall evaluate the lead agency's success in doing both of the following:

(A) Meeting the goals established pursuant to subparagraph (E) of paragraph (4) of subdivision (a).

(B) Fulfilling the responsibilities described in subdivision (b), including, but not limited to, progress in building the capacity of county offices of education within the lead agency's defined geographic area as demonstrated by trends within the lead agency's defined geographic area in the number of school districts receiving technical assistance pursuant to subdivision (c) of Section 52071 and the number of school districts that stopped receiving technical assistance pursuant to subdivision (c) of Section 52071 due to improved performance on the state and local indicators developed for the California School Dashboard pursuant to Section 52064.5.

(e) Commencing with the 2018–19 fiscal year, the sum of four million dollars (\$4,000,000) shall be appropriated annually to the department from the General Fund to be awarded to county offices of education serving as lead agencies pursuant to this section.

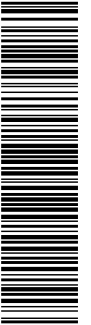
(f) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the amount appropriated in subdivision (e) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202.

SEC. 65. Section 52073.1 is added to the Education Code, to read:

52073.1. (a) Subject to an appropriation included in the annual Budget Act for this purpose, the department and the California Collaborative for Educational Excellence may establish a process, administered by the department, to select, subject to approval by the executive director of the state board and the Director of Finance, a lead agency based on specific expertise in an area of need to conduct activities and build statewide capacity to address that area of need within the statewide system of support.

(b) The process for selecting a lead agency pursuant to this section shall ensure, at a minimum, that the lead agency demonstrate the ability to coordinate and calibrate assistance and support provided based on the specific expertise in an area of need with other lead agencies, the California Collaborative for Educational Excellence, and the department.

(c) In selecting a lead agency pursuant to this section, the department and California Collaborative for Educational Excellence may select a county office of education serving as a lead agency pursuant to Section 52073 or another local educational agency.



(d) Selection of a lead agency pursuant to this section shall be in addition to the limitation on the number of lead agencies specified in paragraph (2) of subdivision (a) of Section 52073.

SEC. 66. Section 52073.2 is added to the Education Code, to read:

52073.2. (a) The California Collaborative for Educational Excellence and the department shall establish a process, administered by the department, to select, subject to approval by the executive director of the state board in consultation with the Department of Finance, special education local plan areas or consortia of special education local plan areas to serve as special education resource leads to work with lead agencies selected pursuant to Sections 52073 and 52073.1, and other county offices of education, to improve pupil outcomes as part of the statewide system of support pursuant to this article.

(b) The process to select special education resource leads shall ensure that no more than 10 special education resource leads are selected to provide specific expertise on special education issues within the statewide system of support. At least three resource leads shall be selected in a manner to ensure statewide representation and focus directly on building special education local plan area capacity to support local educational agencies in achieving the goals, actions, and services identified in their local control and accountability plans. Special education resource leads shall be selected for a term not to exceed five years.

SEC. 67. Section 52074 of the Education Code is amended to read:

52074. (a) The California Collaborative for Educational Excellence is hereby established.

(b) The purpose of the California Collaborative for Educational Excellence is to advise and assist school districts, county superintendents of schools, and charter schools in achieving the goals set forth in a local control and accountability plan adopted pursuant to this article. The California Collaborative for Educational Excellence shall achieve this purpose by facilitating continuous improvement for local educational agencies within California's system of public school support.

~~(c) The governing board of the California Collaborative for Educational Excellence shall, with the approval of the Department of Finance, contract with a local educational agency, or consortium of local educational agencies, to serve as the fiscal agent for the California Collaborative for Educational Excellence. The Superintendent shall apportion funds appropriated for the California Collaborative for Educational Excellence to the fiscal agent.~~

~~(d)~~

(c) The California Collaborative for Educational Excellence shall be governed by a board consisting of the following five members:

(1) The Superintendent or his or her designee.

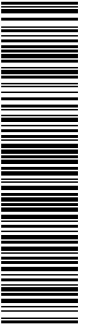
(2) The president of the state board or his or her designee.

(3) A county superintendent of schools appointed by the Senate Committee on Rules.

(4) A teacher appointed by the Speaker of the Assembly.

(5) A superintendent of a school district appointed by the Governor.

(d) The governing board of the California Collaborative for Educational Excellence shall select, and direct the administrative agent provided for in subdivision



(e) to hire, the executive director of the California Collaborative for Educational Excellence and provide policy and program direction.

(e) The department, in consultation with the executive director of the state board and with the approval of the Department of Finance, shall contract with a local educational agency, or consortium of local educational agencies, to serve as the administrative agent for the California Collaborative for Educational Excellence. The administrative agent shall operate all aspects of the California Collaborative for Educational Excellence in accordance with the terms of its contract or contracts with the State of California, applicable statutes, and the policy and program direction of the governing board of the California Collaborative for Educational Excellence. The Superintendent shall apportion funds appropriated for the California Collaborative for Educational Excellence to the administrative agent.

(e) At the

(f) Pursuant to the policy and program direction of the governing board of the California Collaborative for Educational Excellence, the fiscal administrative agent shall contract with individuals, local educational agencies, or organizations with the expertise, experience, and a record of success to carry out the purposes of this article. The areas of expertise, experience, and record of success shall include, but are not limited to, all of the following:

(1) State priorities as described in subdivision (d) of Section 52060. 52060, including the state and local indicators developed for the California School Dashboard pursuant to Section 52064.5.

(2) Improving the quality of teaching.

(3) Improving the quality of school district and schoolsite leadership.

(4) Successfully addressing the needs of special pupil populations, including, but not limited to, English learners, pupils eligible to receive a free or reduced-price meal, pupils in foster care, and individuals with exceptional needs.

(f)

(g) The California Collaborative for Educational Excellence may, after consulting with the Superintendent, may accept a request or referral to advise and assist a school district, county superintendent of schools, or charter school in any of the following circumstances:

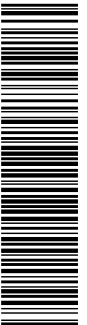
(1) If the governing board of a school district, county board of education, or governing body of a charter school requests the advice and assistance of the California Collaborative for Educational Excellence.

(2)

(1) If the county superintendent of schools of the county in which the school district or charter school is located determines, following the provision of technical assistance pursuant to Section 52071 or 47607.3 as applicable, and the lead agency of that county identified pursuant to Section 52073 agrees, that the advice and assistance of the California Collaborative for Educational Excellence is necessary to help the school district or charter school accomplish the goals described in the local control and accountability plan adopted pursuant to this article.

(3)

(2) If the Superintendent determines that the advice and assistance of the California Collaborative for Educational Excellence is necessary to help the school



district, county superintendent of schools, or charter school accomplish the goals set forth in the local control and accountability plan adopted pursuant to this article.

(3) Outside of the processes described in paragraphs (1) and (2), a school district, county office of education, or charter school that requests the advice and assistance of the California Collaborative for Educational Excellence shall reimburse the California Collaborative for Educational Excellence for the cost of those services pursuant to authority provided in the annual Budget Act.

(h) To the extent authority is provided in the annual Budget Act, a school district at risk of qualifying for state intervention pursuant to subdivision (b) of Section 52072 shall have priority for direct technical assistance from the California Collaborative for Educational Excellence.

(i) In addition to the functions described in subdivision (g), the California Collaborative for Educational Excellence shall do both of the following:

(1) Facilitate professional development activities that increase the capacity of local educational agencies to improve pupil outcomes in alignment with state priorities pursuant to Section 52060 and to improve performance on the state and local indicators developed for the California School Dashboard pursuant to Section 52064.5. The California Collaborative for Educational Excellence shall provide professional development in partnership with state professional associations, nonprofit organizations, and public agencies. The governing board of the California Collaborative for Educational Excellence shall determine the extent of the training that is necessary to comply with this paragraph.

(2) Produce a professional development training calendar, to be posted on the California Collaborative for Educational Excellence's Internet Web site, that publicizes all of the professional development activities offered pursuant to paragraph (1) at the local, regional, and state levels.

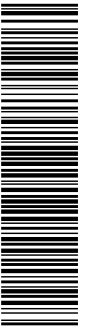
~~(g)~~

(j) The individuals with whom the fiscal administrative agent enters into employment contracts at the direction of the governing board of the California Collaborative for Educational Excellence pursuant to subdivision (e) to carry out the purposes of this article shall be deemed employees of the fiscal administrative agent and eligible for participation in either the State Teachers' Retirement System or the Public Employees' Retirement System, as appropriate to the nature of the work to be performed by the employees.

(k) Receipt of any revenues not appropriated by the Legislature to the California Collaborative for Educational Excellence shall be subject to approval by the governing board of the California Collaborative for Educational Excellence. The governing board of the California Collaborative for Educational Excellence shall ensure that all activities, regardless of fund source, are aligned with the purpose of the California Collaborative for Educational Excellence, as described in subdivision (b).

SEC. 68. Section 53203 of the Education Code is repealed.

~~53203. (a) The regional consortia authorized under Section 52059, in collaboration with the department, from funds provided for this purpose pursuant to subdivision (c) of Section 53101, shall provide, at a minimum, technical assistance and support to local educational agencies with one or more persistently lowest-achieving schools to assist with the implementation of the duties specified for any of the four interventions for persistently lowest-achieving schools pursuant to Section 53202.~~



(b) Funds for the regional consortia shall be distributed based on the number of persistently lowest-achieving schools identified pursuant to this section and the pupil enrollment of these schools.

(c) It is the intent of the Legislature that the regional consortia coordinate the duties described in subdivision (a) with the duties performed pursuant to Section 52059 as it relates to schools and districts identified in program improvement pursuant to the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.).

(d) The areas of technical assistance and support pursuant to this section may include, but are not limited to, any of the following:

(1) Identifying strategies that are designed to recruit, place, and retain staff with the skills necessary to meet the needs of the pupils at the school, including financial incentives, increased opportunities for promotion and career growth, and more flexible work conditions.

(2) Identifying strategies that provide increased instructional time.

(3) Implementing any of the professional development activities authorized in the state's plan or application submitted for the federal Race to the Top program.

(4) Developing a new governance structure that may include the establishment of a new turnaround office, located within the local educational agency or the department, that a school implementing the turnaround model will report to.

(5) Developing social-emotional and community-oriented services, including strategies for parental involvement and services that can be located at the schoolsite.

(6) Identifying, reviewing, and recommending quality charter school operators, charter management organizations, or education management organizations that can operate a persistently lowest-achieving school.

(7) Identifying higher-achieving schools in the school district, including charter schools, to relocate pupils attending a school that is scheduled for closure.

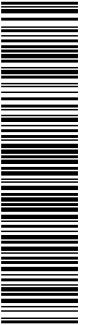
(8) Developing, in consultation with teachers and principals, a rigorous, transparent, and equitable evaluation system for teachers and principals that includes the use of pupil growth data and other factors such as multiple observation-based assessments that all schools implementing the turnaround or transformation model may use.

(9) Identifying strategies to identify and reward school leaders, teachers, and other staff who, in implementing the transformation model, have increased pupil achievement and high school graduation rates and have identified and removed those, who, after ample opportunities, have been provided for them to improve their professional practice, have not done so.

(10) Identifying and approving mentor schools pursuant to subdivision (c) of Section 53202. The regional consortia shall first seek eligible mentor schools located within the district of each of the schools implementing the turnaround or transformation model.

(11) Consistent with the collective bargaining agreement, assisting a local educational agency in doing any of the following:

(A) Meeting federal guidelines under Appendix C of the Notice of Final Priorities, Requirements, Definitions, Selection Criteria for the federal Race to the Top program published in Volume 74 of Number 221 of the Federal Register on November 18, 2009, which encourages the state to ensure that persistently lowest-achieving schools are not



~~required to accept a teacher without mutual consent of the teacher and principal, regardless of the teacher's seniority.~~

~~(B) Implementing schoolsite-based teacher hiring decisions.~~

~~(C) Giving persistently lowest-achieving schools first priority in selecting from the qualified district applicant pool, among those teachers who have specifically applied to work at the school.~~

SEC. 69. Section 56122 of the Education Code is amended to read:

56122. ~~The superintendent~~ (a) The Superintendent shall establish guidelines for the development of local plans, including a standard format for local plans, and provide assistance in the development of local plans. The purposes of such the guidelines and assistance shall be to help districts and county offices benefit from the experience of other local agencies that implement programs under this part, including, but not limited to, reducing paperwork, increasing parental involvement, improving transparency, and providing effective staff development activities. To the extent possible, all forms, reports, and evaluations shall be designed to satisfy simultaneously state and federal requirements.

(b) On or before July 1, 2019, the department shall develop templates that shall be used by districts and county superintendents of schools to meet the requirements of Sections 56195.1 and 56205.

(c) Commencing July 1, 2020, each local plan shall include an annual assurances support plan. The purpose of the annual assurances support plan is to demonstrate how the special education local plan area and its participating agencies are coordinating for purposes of assuring effective outcomes for pupils with disabilities. The department shall develop a template for the annual assurances support plan by March 31, 2019. The annual assurances support plan shall include all of the following elements:

(1) A description of how the special education local plan area supports participating agencies in achieving the goals, actions, and services identified in their local control and accountability plans.

(2) A description of how the special education local plan area connects its participating agencies in need of technical assistance to the statewide system of support.

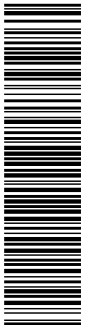
(3) A brief description of the services, technical assistance, and support a special education local plan area provides in meeting the requirements under paragraphs (1) to (21), inclusive, of subdivision (a) of Section 56205.

SEC. 70. Section 56140 of the Education Code is amended to read:

56140. County offices shall do all of the following:

(a) ~~Initiate and submit to the superintendent~~ Superintendent a countywide plan for special education ~~which that~~ demonstrates the coordination of all local plans submitted pursuant to Section 56205 and ~~which that~~ ensures that all individuals with exceptional needs residing within the county, including those enrolled in alternative education programs, including, but not limited to, alternative schools, charter schools, opportunity schools and classes, community day schools operated by ~~school~~ districts, community schools operated by county offices of education, and juvenile court schools, will have access to appropriate special education programs and related services. However, a county office shall not be required to submit a countywide plan when all the districts within the county elect to submit a single local plan.

(b) Within 45 days, approve or disapprove any proposed local plan submitted by a district or group of districts within the county or counties. If approved, the county





office shall submit the plan with comments and recommendations to the Superintendent. If disapproved, the county office shall return the plan with comments and recommendations to the district. The district may immediately appeal to the Superintendent to overrule the county office's disapproval. The Superintendent shall make a decision on an appeal within 30 days of receipt of the appeal. A local plan shall not be implemented without approval of the plan by the county office or a decision by the Superintendent to overrule the disapproval of the county office. Approval shall be based on the capacity of the district or districts to ensure that special education programs and services are provided to all individuals with exceptional needs; the capacity of the district or districts to ensure that special education programs and services are provided to all individuals with exceptional needs, and both of the following:

(1) ~~If approved, the county office shall submit the plan with comments and recommendations to the superintendent.~~

(2) ~~If disapproved, the county office shall return the plan with comments and recommendations to the district. This district may immediately appeal to the superintendent to overrule the county office's disapproval. The superintendent shall make a decision on an appeal within 30 days of receipt of the appeal.~~

(3) ~~A local plan may not be implemented without approval of the plan by the county office or a decision by the superintendent to overrule the disapproval of the county office.~~

(1) Whether the local plan adheres to the guidelines established pursuant to Section 56122 for the development of local plans.

(2) Whether the local plan contains all of the required components as detailed in Section 56205.

(c) Participate in the state onsite review of the district's implementation of an approved local plan.

(d) Join with districts in the county ~~which~~ that elect to submit a plan or plans pursuant to subdivision (c) of Section 56195.1. Any plan may include more than one county, and districts located in more than one county. Nothing in this subdivision shall be construed to limit the authority of a county office to enter into other agreements with these districts and other districts to provide services relating to the education of individuals with exceptional needs.

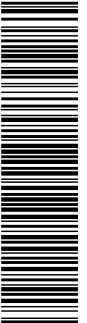
(e) For each special education local plan area located within the jurisdiction of the county office of education that has submitted a revised local plan pursuant to Section 56836.03, the county office shall comply with Section 48850, as it relates to individuals with exceptional needs, by making available to agencies that place children in licensed children's institutions a copy of the annual service plan adopted pursuant to paragraph (2) of subdivision (b) of Section 56205.

SEC. 71. Section 56194 of the Education Code is amended to read:

56194. The community advisory committee shall have the authority and fulfill the responsibilities that are defined for it in the local plan. The responsibilities shall include, but need not be limited to, all the following:

(a) Advising the policy and administrative entity of the special education local plan area regarding the development, amendment, and review of the local plan. The entity shall review and consider comments from the community advisory committee.

(b) Recommending annual priorities to be addressed by the plan.



(c) Assisting in parent education and in recruiting parents and other volunteers who may contribute to the implementation of the plan.

(d) Encouraging community involvement in the development and review of the local plan.

(e) Supporting activities on behalf of individuals with exceptional needs.

(f) Assisting in parent awareness of the importance of regular school attendance.

(g) Supporting community involvement in the parent advisory committee established pursuant to Section 52063 to encourage the inclusion of parents of individuals with exceptional needs to the extent these pupils also fall within one or more of the definitions in Section 42238.01.

SEC. 72. Section 56195.3 of the Education Code is amended to read:

56195.3. In developing a local plan under Section 56195.1, each district shall do the following:

(a) Involve special and general teachers selected by their peers and parents selected by their peers in an active role.

(b) Cooperate with the county office and other ~~school~~ districts in the geographic areas in planning its option under Section 56195.1 and each fiscal year, notify the department, impacted special education local plan areas, and participating county offices of its intent to elect an alternative option from those specified in Section 56195.1, at least one year ~~prior to~~ before the proposed effective date of the implementation of the alternative plan.

(c) Cooperate with the county office to assure that the local plan is compatible with other local plans in the ~~county~~ county, including the local control and accountability plans adopted for the district and the county board of education, and any county plan of a contiguous county.

(d) Submit to the county office for review any local plan developed under subdivision (a) or (b) of Section 56195.1.

SEC. 73. Section 56195.9 of the Education Code is amended to read:

56195.9. (a) The plan for special education shall be developed and updated cooperatively by a committee of representatives of special and regular teachers and administrators selected by the groups they represent and with participation by parent members of the community advisory committee, or parents selected by the community advisory committee, to ensure adequate and effective participation and communication.

(b) Commencing July 1, 2020, a special education local plan area shall review its local plan at least once every three years and update as needed to ensure information contained within the plan remains relevant and accurate. This requirement shall not be construed to change the annual budget plan and annual service plan requirements that are contained in Section 56205.

SEC. 74. Section 56205 of the Education Code is amended to read:

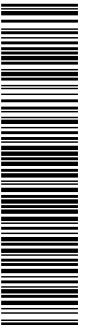
56205. (a) Each special education local plan area submitting a local plan to the Superintendent under this part shall ensure, in conformity with Sections 1412(a) and 1413(a)(1) of Title 20 of the United States Code, and in accordance with Section 300.201 of Title 34 of the Code of Federal Regulations, that it has in effect policies, procedures, and programs that are consistent with state laws, regulations, and policies governing the following:

(1) Free appropriate public education.

(2) Full educational opportunity.



- (3) Child find and referral.
- (4) Individualized education programs, including development, implementation, review, and revision.
- (5) Least restrictive environment.
- (6) Procedural safeguards.
- (7) Annual and triennial assessments.
- (8) Confidentiality.
- (9) Transition from Subchapter III (commencing with Section 1431) of Title 20 of the United States Code to the preschool program.
- (10) Children in private schools.
- (11) Compliance assurances, including general compliance with the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.), Section 504 of the federal Rehabilitation Act of 1973 (29 U.S.C. Sec. 794), the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), federal regulations relating thereto, and this part.
- (12) (A) A description of the governance and administration of the local plan, including identification of the governing body of a multidistrict local plan or the individual responsible for administration in a single district local plan, and of the elected officials to whom the governing body or individual is responsible.
- (B) A description of the regionalized operations and services listed in Section 56836.23 and the direct instructional support provided by program specialists in accordance with Section 56368 to be provided through the local plan.
- (C) Verification that a community advisory committee has been established pursuant to Section 56190.
- (D) Multidistrict local plans, submitted pursuant to subdivision (b) or (c) of Section 56195.1, shall do the following:
  - (i) Specify the responsibilities of each participating county office and district governing board in the policymaking process, the responsibilities of the superintendents of each participating district and county in the implementation of the local plan, and the responsibilities of district and county administrators of special education in coordinating the administration of the local plan.
  - (ii) Identify the respective roles of the administrative unit and the administrator of the special education local plan area and the individual local educational agencies within the special education local plan area in relation to the following:
    - (I) The hiring, supervision, evaluation, and discipline of the administrator of the special education local plan area and staff employed by the administrative unit in support of the local plan.
    - (II) The allocation from the state of federal and state funds to the special education local plan area administrative unit or to local educational agencies within the special education local plan area.
    - (III) The operation of special education programs.
    - (IV) Monitoring the appropriate use of federal, state, and local funds allocated for special education programs.
    - (V) The preparation of program and fiscal reports required of the special education local plan area by the state.



(iii) Include copies of joint powers agreements or contractual agreements, as appropriate, for districts and counties that elect to enter into those agreements pursuant to subdivision (b) or (c) of Section 56195.1.

(E) The description of the governance and administration of the local plan, and the policymaking process, shall be consistent with subdivision (f) of Section 56001, subdivision (a) of Section 56195.3, and Section 56195.9, and shall reflect a schedule of regular consultations regarding policy and budget development with representatives of special education and regular education teachers and administrators selected by the groups they represent and parent members of the community advisory committee established pursuant to Article 7 (commencing with Section 56190) of Chapter 2.

(13) Personnel qualifications to ensure that personnel, including special education teachers and personnel and paraprofessionals providing related services, necessary to implement this part are appropriately and adequately prepared and trained in accordance with Sections 56058 and 56070 and Sections 1412(a)(14) and 1413(a)(3) of Title 20 of the United States Code.

(14) Performance goals and indicators.

(15) Participation in state and districtwide assessments, including assessments described under Section 1111 of the federal Elementary and Secondary Education Act of 1965 (20 U.S.C. Sec. 6301 et seq.) and alternate assessments in accordance with Section 1412(a)(16) of Title 20 of the United States Code, and reports relating to assessments.

(16) Supplementation of state, local, and other federal funds, including nonsupplantation of funds.

(17) Maintenance of financial effort.

(18) Opportunities for public participation ~~prior to~~ before adoption of policies and procedures.

(19) Suspension and expulsion rates.

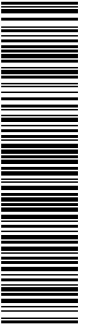
(20) Access to instructional materials by blind individuals with exceptional needs and others with print disabilities in accordance with Section 1412(a)(23) of Title 20 of the United States Code.

(21) Overidentification and disproportionate representation by race and ethnicity of children as individuals with exceptional needs, including children with disabilities with a particular impairment described in Section 1401 of Title 20 of the United States Code and in accordance with Section 1412(a)(24) of Title 20 of the United States Code.

(22) Prohibition of mandatory medication use pursuant to Section 56040.5 and in accordance with Section 1412(a)(25) of Title 20 of the United States Code.

(b) Each local plan submitted to the Superintendent under this part shall also contain all the following:

(1) An annual budget plan that shall be adopted at a public hearing held by the special education local plan area. Notice of this hearing shall be posted in each school in the local plan area at least 15 days ~~prior to~~ before the hearing. The annual budget plan may be revised during any fiscal year according to the policymaking process established pursuant to subparagraphs (D) and (E) of paragraph (12) of subdivision (a) and consistent with subdivision (f) of Section 56001 and Section 56195.9. The annual budget plan shall identify expected expenditures for all items required by this part which shall include, but not be limited to, the following:



(A) Funds received—A description of the special education local plan area's allocation plan in accordance with Chapter 7.2 (commencing with Section 56836), including funds apportioned to the administrative unit of the special education local plan area.

(B) Administrative costs of the plan.

(C) Special education services to pupils with severe disabilities and low incidence disabilities.

(D) Special education services to pupils with nonsevere disabilities.

(B) All revenues by revenue source received by the special education local plan area specifically for the purpose of special education, including any property taxes allocated to the special education local plan area as designated in Section 2572.

(C) A breakdown of the distribution of funds to each local educational agency within the special education local plan area.

(E)

(D) Supplemental—A description of projected total special education expenditures by local educational agency, including supplemental aids and services to meet the individual needs of pupils placed in regular education classrooms and environments, environments and special education services to pupils with low incidence disabilities.

(F) Regionalized operations and services, and direct instructional support by program specialists in accordance with Article 6 (commencing with Section 56836.23) of Chapter 7.2.

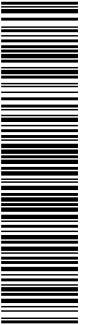
(G) The use of property taxes allocated to the special education local plan area pursuant to Section 2572.

(E) A description of projected total expenditures by the special education local plan area and the local educational agencies within the special education local plan area by standardized account code structure object code.

(F) A description of projected funding to be received specifically for regionalized operations and a breakdown of projected special education local plan area operating expenditures by standardized account code structure code.

(2) An annual service plan that shall be adopted at a public hearing held by the special education local plan area. Notice of this hearing shall be posted in each district local educational agency in the special education local plan area at least 15 days prior to before the hearing. The annual service plan may be revised during any fiscal year according to the policymaking process established pursuant to subparagraphs (D) and (E) of paragraph (12) of subdivision (a) and consistent with subdivision (f) of Section 56001 and with Section 56195.9. The annual service plan shall include a description of services to be provided by each district and county office, local educational agency, including the nature of the services and the physical location at which the services will be provided, including alternative schools, charter schools, opportunity schools and classes, community day schools operated by districts, community schools operated by county offices, and juvenile court schools, regardless of whether the district or county office local educational agency is participating in the local plan. This description shall demonstrate that all individuals with exceptional needs shall have access to services and instruction appropriate to meet their needs as specified in their individualized education programs.

(3) An annual assurances support plan that shall be adopted at a public hearing held by the special education local plan area. Notice of this hearing shall be posted in



each local educational agency in the special education local plan area at least 15 days before the hearing. The annual assurances support plan may be revised during any fiscal year according to the policymaking process established pursuant to subparagraphs (D) and (E) of paragraph (12) of subdivision (a) and consistent with subdivision (f) of Section 56001 and with Section 56195.9. The annual assurances support plan shall meet the requirements of subdivision (c) of Section 56122.

(3)

(4) A description of programs for early childhood special education from birth through five years of age.

(4)

(5) A description of the method by which members of the public, including parents or guardians of individuals with exceptional needs who are receiving services under the local plan, may address questions or concerns to the governing body or individual identified in subparagraph (A) of paragraph (12) of subdivision (a).

(5)

(6) A description of a dispute resolution process, including mediation and final and binding arbitration to resolve disputes over the distribution of funding, the responsibility for service provision, and the other governance activities specified within the local plan.

(6)

(7) Verification that the local plan has been reviewed by the community advisory committee and that the committee had at least 30 days to conduct this review ~~prior to~~ before submission of the local plan to the Superintendent.

(7)

(8) A description of the process being utilized to meet the requirements of Section 56303.

(c) A description of the process being utilized to oversee and evaluate placements in nonpublic, nonsectarian schools and the method of ensuring that all requirements of each pupil's individualized education program are being met. The description shall include a method for evaluating whether the pupil is making appropriate educational progress.

(d) The local plan, budget plan, ~~and annual service plan plan, and annual~~ assurances support plan shall adhere to the guidelines established pursuant to Section 56122, and shall be written in language that is understandable to the general public.

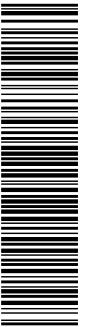
SEC. 75. Section 56205.5 is added to the Education Code, to read:

56205.5. (a) The superintendent or other chief administrator of a local educational agency shall post on the Internet Web site of the local educational agency any local plan, annual budget plan, annual service plan, and annual assurances support plan upon approval of the special education local plan area, and any updates or revisions to the plans upon approval of the special education local plan area.

(b) A county superintendent of schools shall do both of the following:

(1) Post on the Internet Web site of the county office any local plan, annual budget plan, annual service plan, and annual assurances support plan upon approval of the county office, and any updates or revisions to the plans upon approval of the county office.

(2) Post on the Internet Web site of the county office all local plans submitted by special education local plan areas in the county, or links to those plans.



(c) A complete copy of the local plan, including policies and procedures and the annual budget plan, annual service plan, and annual assurances support plan, shall be held on file in the special education local plan area office and at each participating local educational agency, and shall be accessible to any interested party.

SEC. 76. Section 56836.02 of the Education Code is amended to read:

56836.02. (a) The Superintendent shall apportion funds from Section A of the State School Fund to districts and county offices of education in accordance with the allocation plan adopted pursuant to Section 56836.05, unless the allocation plan specifies that funds be apportioned to the administrative unit of the special education local plan area. If the allocation plan specifies that funds be apportioned to the administrative unit of the special education local plan area, the administrator of the special education local plan area shall, upon receipt, distribute the funds in accordance with the method adopted pursuant to subdivision (i) of Section 56195.7. The allocation plan shall, before submission to the Superintendent, be approved according to the local policymaking process established by the special education local plan area.

(b) The Superintendent shall apportion funds for regionalized services and program specialists from Section A of the State School Fund to the administrative unit of each special education local plan area. Upon receipt, the administrator of a special education local plan area shall direct the administrative unit of the special education local plan area to distribute the funds in accordance with the annual budget plan adopted pursuant to paragraph (1) of subdivision (b) of Section 56205.

SEC. 77. Section 56836.08 of the Education Code is amended to read:

56836.08. (a) For the 1998–99 fiscal year, the Superintendent shall make the following computations to determine the amount of funding for each special education local plan area:

(1) Add the amount of funding per unit of average daily attendance computed for the special education local plan area pursuant to paragraph (1) of subdivision (a) of Section 56836.10 to the inflation adjustment computed pursuant to subdivision (d) for the 1998–99 fiscal year.

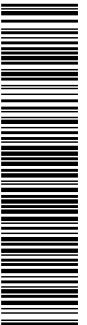
(2) Multiply the amount computed in paragraph (1) by the units of average daily attendance reported for the special education local plan area for the 1997–98 fiscal year, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010, as that subdivision read on July 1, 1996.

(3) Add the actual amount of the equalization adjustment, if any, computed for the 1998–99 fiscal year pursuant to Section 56836.14 to the amount computed in paragraph (2).

(4) Add or subtract, as appropriate, the adjustment for growth computed pursuant to Section 56836.15 from the amount computed in paragraph (3).

(b) For the 1999–2000 fiscal year and each fiscal year thereafter, the Superintendent shall make the following computations to determine the amount of funding for each special education local plan area for the fiscal year in which the computation is made:

(1) Add the amount of funding per unit of average daily attendance computed for the special education local plan area for the prior fiscal year pursuant to Section 56836.10 to the inflation adjustment computed pursuant to subdivision (d) through the 2012–13 fiscal year, and for the 2013–14 fiscal year and each fiscal year thereafter,



the inflation adjustment computed pursuant to subdivision ~~(g)~~, (f), for the fiscal year in which the computation is made.

(2) Multiply the amount computed in paragraph (1) by the units of average daily attendance reported for the special education local plan area for the prior fiscal year.

(3) Add or subtract, as appropriate, the adjustment for growth or decline in enrollment, if any, computed for the special education local plan area for the fiscal year in which the computation is made pursuant to Section 56836.15 from the amount computed in paragraph (2).

(c) For the 1998–99 fiscal year to the 2012–13 fiscal year, inclusive, the Superintendent shall make the following computations to determine the amount of General Fund moneys that the special education local plan area may claim:

(1) Add the total of the amount of property taxes for the special education local plan area pursuant to Section 2572 for the fiscal year in which the computation is made to the amount of federal funds allocated for the purposes of paragraph (1) of subdivision (a) of Section 56836.09 for the fiscal year in which the computation is made.

(2) Add the amount of funding computed for the special education local plan area pursuant to subdivision (a) for the 1998–99 fiscal year, and commencing with the 1999–2000 fiscal year to the 2012–13 fiscal year, inclusive, the amount computed for the fiscal year in which the computations were made pursuant to subdivision (b) to the amount of funding computed for the special education local plan area pursuant to Article 3 (commencing with Section 56836.16).

(3) Subtract the sum computed in paragraph (1) from the sum computed in paragraph (2).

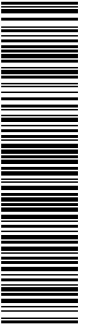
(d) For the 1998–99 fiscal year to the 2012–13 fiscal year, inclusive, the Superintendent shall make the following computations to determine the inflation adjustment for the fiscal year in which the computation is made:

(1) For the 1998–99 fiscal year, multiply the sum of the statewide target amount per unit of average daily attendance for special education local plan areas for the 1997–98 fiscal year computed pursuant to paragraph (3) of subdivision (a) of Section 56836.11 by the inflation adjustment computed pursuant to Section 42238.1 for the 1998–99 fiscal year.

(2) For the 1999–2000 fiscal year to the 2012–13 fiscal year, inclusive, multiply the sum of the statewide target amount per unit of average daily attendance for special education local plan areas for the prior fiscal year computed pursuant to Section 56836.11 for the prior fiscal year by the inflation adjustment computed pursuant to Section 42238.1 for the fiscal year in which the computation is made.

(3) For purposes of computing the inflation adjustment for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area for the 1998–99 fiscal year to the 2012–13 fiscal year, inclusive, the Superintendent shall multiply the amount of funding per unit of average daily attendance computed for that special education local plan area for the prior fiscal year pursuant to Section 56836.10 by the inflation adjustment computed pursuant to Section 42238.1 for the fiscal year in which the computation is being made.

(e) Notwithstanding any other law, for the 2013–14 fiscal year and each fiscal year thereafter, the Superintendent shall make the following computations to determine





the amount of General Fund moneys that the special education local plan area may claim:

(1) Determine the total amount of property taxes for the special education local plan area pursuant to Section 2572 for the fiscal year in which the computation is made.

(2) Calculate the amount of funding computed for the special education local plan area pursuant to subdivision (b) for the fiscal year in which the computation is made.

(3) Subtract the amount computed in paragraph (1) from the amount computed in paragraph (2).

(f) For the 2013–14 fiscal year and each fiscal year thereafter, the Superintendent shall make the following computations to determine the inflation adjustment for the fiscal year in which the computation is made:

(1) Multiply the statewide target amount per unit of average daily attendance for special education local plan areas for the prior fiscal year computed pursuant to Section 56836.11 by the inflation factor computed pursuant to Section 42238.1, as that section read on January 1, 2013, or any successor section of law enacted by the Legislature that specifies the inflation factor contained in Section 42238.1, as that section read on January 1, 2013, for application to the 2013–14 fiscal year and each fiscal year thereafter.

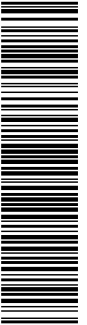
(2) For purposes of computing the inflation adjustment for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area, the Superintendent shall multiply the amount of funding per unit of average daily attendance computed for that special education local plan area for the prior fiscal year pursuant to Section 56836.10 by the inflation factor computed pursuant to Section 42238.1, as that section read on January 1, 2013, or any successor section of law enacted by the Legislature that specifies the inflation factor contained in Section 42238.1, as that section read on January 1, 2013, for application to the 2013–14 fiscal year and each fiscal year thereafter.

SEC. 78. Section 56836.11 of the Education Code is amended to read:

56836.11. (a) For the purpose of computing the equalization adjustment for special education local plan areas for the 1998–99 fiscal year, the Superintendent shall make the following computations to determine the statewide target amount per unit of average daily attendance for special education local plan areas:

(1) Total the amount of funding computed for each special education local plan area exclusive of the amount of funding computed for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area, pursuant to Section 56836.09 for the 1997–98 fiscal year.

(2) Total the number of units of average daily attendance reported for each special education local plan area for the 1997–98 fiscal year, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section ~~46010~~ 46010, as that section read on July 1, 1996, and exclusive of the units of average daily attendance computed for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area.



(3) Divide the sum computed in paragraph (1) by the sum computed in paragraph (2) to determine the statewide target amount for the 1997–98 fiscal year.

(4) Add the amount computed in paragraph (3) to the inflation adjustment computed pursuant to subdivision (d) of Section 56836.08 for the 1998–99 fiscal year to determine the statewide target amount for the 1998–99 fiscal year.

(b) Commencing with the 1999–2000 fiscal year to the 2004–05 fiscal year, inclusive, to determine the statewide target amount per unit of average daily attendance for special education local plan areas, the Superintendent shall multiply the statewide target amount per unit of average daily attendance computed for the prior fiscal year pursuant to this section by one plus the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the fiscal year in which the computation is made.

(c) For the 2005–06 fiscal year, the Superintendent shall make the following computation to determine the statewide target amount per unit of average daily attendance to determine the inflation adjustment pursuant to paragraph (2) of subdivision (d) of Section 56836.08 and growth pursuant to subdivision (c) of Section 56836.15, as follows:

(1) The 2004–05 fiscal year statewide target amount per unit of average daily attendance less the sum of the 2004–05 fiscal year total amount of federal funds apportioned pursuant to Schedule (1) in Item 6110-161-0890 of Section 2.00 of the Budget Act of 2004 for purposes of special education for individuals with exceptional needs enrolled in kindergarten and grades 1 to 12, inclusive, divided by the total average daily attendance computed for the 2004–05 fiscal year.

(2) Multiply the amount computed in paragraph (1) by the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the fiscal year in which the computation is made.

(3) Add the amounts computed in paragraphs (1) and (2).

(d) Commencing with the 2006–07 fiscal year and continuing through the 2012–13 fiscal year, inclusive, the Superintendent shall make the following computation to determine the statewide target amount per unit of average daily attendance for special education local plan areas for the purpose of computing the inflation adjustment pursuant to paragraph (2) of subdivision (d) of Section 56836.08 and growth pursuant to subdivision (c) of Section 56836.15:

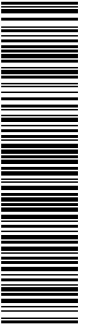
(1) The statewide target amount per unit of average daily attendance computed for the prior fiscal year pursuant to this section.

(2) Multiply the amount computed in paragraph (1) by the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the fiscal year in which the computation is made.

(3) Add the amounts computed in paragraphs (1) and (2).

(e) For the 2013–14 fiscal year, the Superintendent shall make the following computations to determine the statewide target amount per unit of average daily attendance to determine the inflation adjustment pursuant to subdivision (f) of Section 56836.08 and growth pursuant to subdivision (c) of Section 56836.15, as follows:

(1) Total the amount of funding computed for each special education local plan area pursuant to the amount computed in subdivision (b) of Section 56836.08, including the amount of funds appropriated pursuant to Provision 22 of Item 6110-161-0001 of Section 2.00 of the Budget Act of 2013, and excluding the amount of funding computed for the special education local plan area identified as the Los Angeles County Juvenile



Court and Community School/Division of Alternative Education Special Education Local Plan Area, for the 2013–14 fiscal year.

(2) Total the number of units of average daily attendance reported for each special education local plan area for the 2012–13 fiscal year, exclusive of the units of average daily attendance computed for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area.

(3) Divide the sum computed in paragraph (1) by the sum computed in paragraph (2).

(f) ~~Commencing with~~ For the 2014–15 fiscal year and continuing each fiscal year thereafter, to the 2017–18 fiscal year, inclusive, the Superintendent shall make the following computations to determine the statewide target amount per unit of average daily attendance for special education local plan areas for the purpose of computing the inflation adjustment pursuant to subdivision (f) of Section 56836.08 and growth pursuant to subdivision (c) of Section 56836.15:

(1) The statewide target amount per unit of average daily attendance computed for the prior fiscal year pursuant to this section.

(2) Multiply the amount computed in paragraph (1) by the inflation factor computed pursuant to Section 42238.1, as that section read on January 1, 2013, or any successor section of law enacted by the Legislature that specifies the inflation factor contained in Section 42238.1, as that section read on January 1, 2013, for application to the 2014–15 fiscal year and each fiscal year thereafter.

(3) Add the amounts computed in paragraphs (1) and (2).

(g) For the 2018–19 fiscal year, the Superintendent shall make the following computations to determine the statewide target amount per unit of average daily attendance for special education local plan areas for the purpose of computing the inflation adjustment pursuant to subdivision (f) of Section 56836.08 and growth pursuant to subdivision (c) of Section 56836.15:

(1) The statewide target amount per unit of average daily attendance computed for the prior fiscal year pursuant to this section.

(2) Subtract the amount computed pursuant to paragraph (2) of subdivision (a) of Section 56836.24 from the amount computed in paragraph (1).

(3) Multiply the amount computed in paragraph (2) by the inflation factor for the 2018–19 fiscal year computed pursuant to paragraph (2) of subdivision (d) of Section 42238.02.

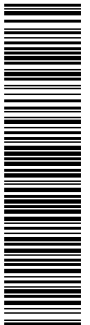
(4) Add the amounts computed in paragraphs (1) and (3).

(h) Commencing with the 2019–20 fiscal year and continuing each fiscal year thereafter, the Superintendent shall make the following computations to determine the statewide target amount per unit of average daily attendance for special education local plan areas for the purpose of computing the inflation adjustment pursuant to subdivision (f) of Section 56836.08 and growth pursuant to subdivision (c) of Section 56836.15:

(1) The statewide target amount per unit of average daily attendance computed for the prior fiscal year pursuant to this section.

(2) Multiply the amount computed in paragraph (1) by the inflation factor for the current fiscal year computed pursuant to paragraph (2) of subdivision (d) of Section 42238.02.

(3) Add the amounts computed in paragraphs (1) and (2).



SEC. 79. Section 56836.23 of the Education Code is amended to read:

56836.23. ~~Each special education local plan area shall dedicate a portion of the funds it receives pursuant to Section 56836.10 for regionalized operations and services and the direct instructional support of program specialists. Funds for regionalized operations and services and the direct instructional support of program specialists shall be apportioned to the special education local plan areas.~~ Funds for regionalized operations and services and the direct instructional support of program specialists shall be apportioned to the special education local plan areas. As a condition of receiving ~~those~~ these funds, the special education local plan area shall ensure that all functions listed below are performed in accordance with the description set forth in its local plan adopted pursuant to Section 56205:

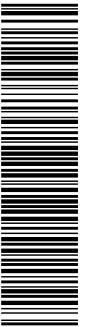
- (a) Coordination of the special education local plan area and the implementation of the local plan.
- (b) Coordinated system of identification and assessment.
- (c) Coordinated system of procedural safeguards.
- (d) Coordinated system of staff development and parent and guardian education.
- (e) Coordinated system of curriculum development and alignment with the core curriculum.
- (f) Coordinated system of internal program review, evaluation of the effectiveness of the local plan, and implementation of a local plan accountability mechanism.
- (g) Coordinated system of data collection and management.
- (h) Coordination of interagency agreements.
- (i) Coordination of services to medical facilities.
- (j) Coordination of services to licensed children's institutions and foster family homes.
- (k) Preparation and transmission of required special education local plan area reports.
- (l) Fiscal and logistical support of the community advisory committee.
- (m) Coordination of transportation services for individuals with exceptional needs.
- (n) Coordination of career and vocational education and transition services.
- (o) Assurance of full educational opportunity.
- (p) Fiscal administration and the allocation of state and federal funds pursuant to Section 56836.01.
- (q) Direct instructional program support that may be provided by program specialists in accordance with Section 56368.

SEC. 80. Section 56836.24 is added to the Education Code, to read:

56836.24. (a) Commencing with the 2018–19 fiscal year and each fiscal year thereafter, the Superintendent shall make the following computations to determine the amount of funding for the purposes specified in Section 56836.23 for apportionment to each special education local plan area for the fiscal year in which the computation is made:

(1) For the 2018–19 fiscal year, the Superintendent shall make the following computations:

(A) Compute the statewide average for program specialists and regionalized services, exclusive of the amount computed for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area, for the 2012–13 fiscal year.



(B) Multiply the computed amount in subparagraph (A) by one plus the inflation factor for the 2013–14 to 2017–18 fiscal years, inclusive, computed pursuant to paragraph (2) of subdivision (d) of Section 42238.02.

(C) Multiply the amount computed in subparagraph (B) by one plus the inflation factor for the 2018–19 fiscal year computed pursuant to paragraph (2) of subdivision (d) of Section 42238.02.

(D) Multiply the amount computed in subparagraph (C) by the number of units of average daily attendance upon which funding is based pursuant to subdivision (d) of Section 56836.10 for the special education local area.

(2) For the 2019–20 fiscal year and each year thereafter, the Superintendent shall make the following computations:

(A) Multiply the prior fiscal year statewide average amount by one plus the inflation factor for the current fiscal year computed pursuant to paragraph (2) of subdivision (d) of Section 42238.02.

(B) Multiply the amount computed in subparagraph (A) by the number of units of average daily attendance upon which funding is based pursuant to subdivision (d) of Section 56836.10 for the special education local area.

(b) For the purposes of this section, a special education local plan area that only includes charter schools shall be apportioned by the Superintendent for each unit of average daily attendance reported pursuant to subdivision (a) of Section 56836.06.

SEC. 81. Section 56836.25 is added to the Education Code, to read:

56836.25. Funds received pursuant to this article shall be expended for the purposes specified in Section 56836.23.

SEC. 82. Section 56836.31 of the Education Code is amended to read:

56836.31. (a) To accomplish the activities set forth in Section 56836.23, supplemental funds shall be apportioned to special education local plan areas that are designated as necessary small special education local plan areas in accordance with Section 56212 and that report fewer than 15,000 units of average daily attendance.

(a)

(b) For the 2013–14 fiscal year and each fiscal year thereafter, to 2017–18 fiscal years, inclusive, the Superintendent shall allocate this the supplemental amount described in subdivision (a) based on the following computations:

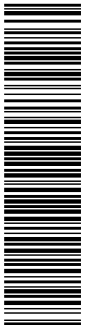
(1) Calculate the difference between the number of units of average daily attendance reported for the necessary small special education local plan area for the current fiscal year and 15,000 units of average daily attendance.

(2) Multiply the amount calculated in paragraph (1) by the rate calculated in subdivision ~~(b)~~ (c).

~~(b)~~

(c) For the 2013–14 fiscal year, the supplemental rate per unit of average daily attendance shall be fifteen dollars (\$15). For the 2014–15 fiscal year and each fiscal year thereafter, the supplemental rate per unit of average daily attendance shall be fifteen dollars (\$15) multiplied by one plus the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the current fiscal year.

(d) For 2018–19 fiscal year and each fiscal year thereafter, the Superintendent shall allocate the supplemental amount described in subdivision (a) based on the following computations:



(1) Calculate the difference between the number of units of average daily attendance determined pursuant to Section 56836.24 for the necessary small special education local plan area and 15,000 units of average daily attendance.

(2) For the 2018–19 fiscal year, the supplemental rate per unit of average daily attendance shall be the rate computed pursuant to subparagraph (C) of paragraph (1) of subdivision (a) of Section 56836.24. For the 2019–20 fiscal year and each fiscal year thereafter, the supplemental rate per unit of average daily attendance shall be the rate computed pursuant to subparagraph (A) of paragraph (2) of subdivision (a) of Section 56836.24.

(3) Multiply the amount calculated in paragraph (1) by the rate calculated in paragraph (2).

SEC. 83. Section 56836.165 of the Education Code is amended to read:

56836.165. (a) For the 2004–05 fiscal year and each fiscal year thereafter, the Superintendent shall calculate for each special education local plan area an amount based on (1) the number of children and youth residing in foster family homes, small family homes, and foster family agencies, (2) the licensed capacity of group homes licensed by the State Department of Social Services, and (3) the number of children and youth ages 3 to 21 years, inclusive, referred by the State Department of Developmental Services who are residing in skilled nursing facilities or intermediate care facilities licensed by the State Department of Health Services and the number of children and youth, ages 3 to 21 years, inclusive, referred by the State Department of Developmental Services who are residing in community care facilities licensed by the State Department of Social Services.

(b) The department shall assign each facility described in paragraphs (1), (2), and (3) of subdivision (a) a severity rating. The severity ratings shall be on a scale from 1 to 14. Foster family homes and small family homes shall be assigned a severity rating of 1. Foster family agencies shall be assigned a severity rating of 2. Facilities described in paragraph (2) of subdivision (a) shall be assigned the same severity rating as its State Department of Social Services rate classification level. For facilities described in paragraph (3) of subdivision (a), skilled nursing facilities shall be assigned a severity rating of 14, intermediate care facilities shall be assigned a severity rating of 11, and community care facilities shall be assigned a severity rating of 8.

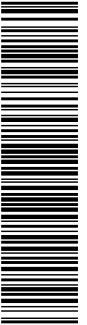
(c) (1) The department shall establish a “bed allowance” for each severity level. For the 2004–05 fiscal year, the bed allowance shall be calculated as described in paragraph (2). For the 2005–06 fiscal year and each fiscal year thereafter, the department shall increase the bed allowance by the inflation adjustment computed pursuant to Section 42238.1. The department shall not establish a bed allowance for any facility defined in paragraphs (2) and (3) of subdivision (a) if it is not licensed by the State Department of Social Services or the State Department of Health Services.

(2) (A) The bed allowance for severity level 1 shall be five hundred two dollars (\$502).

(B) The bed allowance for severity level 2 shall be six hundred ten dollars (\$610).

(C) The bed allowance for severity level 3 shall be one thousand four hundred thirty-four dollars (\$1,434).

(D) The bed allowance for severity level 4 shall be one thousand six hundred forty-nine dollars (\$1,649).



(E) The bed allowance for severity level 5 shall be one thousand eight hundred sixty-five dollars (\$1,865).

(F) The bed allowance for severity level 6 shall be two thousand eighty dollars (\$2,080).

(G) The bed allowance for severity level 7 shall be two thousand two hundred ninety-five dollars (\$2,295).

(H) The bed allowance for severity level 8 shall be two thousand five hundred ten dollars (\$2,510).

(I) The bed allowance for severity level 9 shall be five thousand four hundred fifty-one dollars (\$5,451).

(J) The bed allowance for severity level 10 shall be five thousand eight hundred eighty-one dollars (\$5,881).

(K) The bed allowance for severity level 11 shall be nine thousand four hundred sixty-seven dollars (\$9,467).

(L) The bed allowance for severity level 12 shall be thirteen thousand four hundred eighty-three dollars (\$13,483).

(M) The bed allowance for severity level 13 shall be fourteen thousand three hundred forty-three dollars (\$14,343).

(N) The bed allowance for severity level 14 shall be twenty thousand eighty-one dollars (\$20,081).

(d) (1) For each fiscal year, the department shall calculate an out-of-home care funding amount for each special education local plan area as the sum of amounts computed pursuant to paragraphs (2), (3), and (4). The State Department of Social Services and the State Department of Developmental Services shall provide the State Department of Education with the residential counts identified in paragraphs (2), (3), and (4).

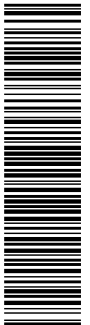
(2) The number of children and youth residing on April 1 in foster family homes, small family homes, and foster family agencies located in each special education local plan area times the appropriate bed allowance.

(3) The capacity on April 1 of each group home licensed by the State Department of Social Services located in each special education local plan area times the appropriate bed allowance.

(4) The number on April 1 of children and youth (A) ages 3 through 21 referred by the State Department of Developmental Services who are residing in skilled nursing facilities and intermediate care facilities licensed by the State Department of Health Services located in each special education local plan area times the appropriate bed allowance, and (B) ages 3 to 21 years, inclusive, referred by the State Department of Developmental Services who are residing in community care facilities licensed by the State Department of Social Services located in each special education local plan area times the appropriate bed allowance.

(5) Notwithstanding subdivision (b) and paragraphs (2) and (3), for purposes of the 2017–18 and 2018–19 fiscal year years out-of-home care funding amount for group homes, foster family homes, small family homes, and foster family agencies, the Superintendent shall use the data received from the State Department of Social Services that was used for the funding for the 2016–17 fiscal year.

(e) In determining the amount of the first principal apportionment for a fiscal year pursuant to Section 41332, the Superintendent shall continue to apportion funds



from Section A of the State School Fund to each special education local plan area equal to the amount apportioned at the advance apportionment pursuant to Section 41330 for that fiscal year.

(f) Notwithstanding subdivision (b) and paragraph (3) of subdivision (d), for purposes of the 2016–17 fiscal year funding for group homes, the Superintendent shall use the rate classification levels as they exist on December 31, 2016, and the capacity of each group home licensed by the State Department of Social Services located in each special education local plan area on December 31, 2016.

SEC. 84. Section 60601 of the Education Code is repealed.

~~60601. This chapter shall become inoperative on July 1, 2020, and as of January 1, 2021, is repealed, unless a later enacted statute that is enacted before January 1, 2021, deletes or extends the dates on which it becomes inoperative and is repealed.~~

SEC. 85. Section 60604.5 of the Education Code is amended to read:

60604.5. (a) It is the intent of the Legislature that the reauthorization of the statewide pupil assessment program include all of the following:

(1) A plan for transitioning to a system of high-quality assessments.  
(2) Alignment with the standards developed pursuant to subdivision (d) of Section 60605.8.

(3) Any common assessments aligned with the standards developed pursuant to subdivision (d) of Section 60605.8.

(4) Conformity to the assessment requirements of any reauthorization of the federal Elementary and Secondary Education Act (20 U.S.C. Sec. 6301 et seq.) or any other federal law that effectively replaces that act.

(b) The Superintendent shall develop recommendations for the reauthorization of the statewide pupil assessment program. The recommendations shall include, but not be limited to, a plan for transitioning to a system of high-quality assessments. The recommendations shall consider including all of the following in the reauthorized assessment system:

(1) Aligning the assessments to the standards adopted or revised pursuant to Section 60605.8.

(2) Implementing and incorporating any common assessments aligned with the common set of standards developed by the Common Core State Standards Initiative consortium or other interstate collaboration in which the state participates.

(3) Conforming to the assessment requirements of any reauthorization of the federal Elementary and Secondary Education Act (20 U.S.C. Sec. 6301 et seq.) or any other federal law that effectively replaces that act.

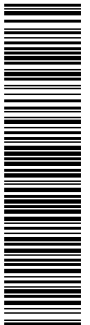
(4) Enabling the valid, reliable, and fair measurement of achievement at a point in time and over time for groups and subgroups of pupils, and for individual pupils.

(5) Allowing the comparison from one year to the next of an individual pupil's scale scores in each content area tested, so as to reflect the growth in that pupil's actual scores over time.

(6) Enabling and including the valid, reliable, and fair measurement of achievement of all pupils, including pupils with disabilities and English learners.

(7) Providing for the assessment of English learners using primary language assessments.

(8) Ensuring that no aspect of the system creates any bias with respect to race, ethnicity, culture, religion, gender, or sexual orientation.





(9) Incorporating a variety of item types and formats, including, but not limited to, open-ended responses and performance-based tasks.

(10) Generating multiple measures of pupil achievement, which, when combined with other measures, can be used to determine the effectiveness of instruction and the extent of learning.

(11) Including the assessment of science and history-social science in all grade levels at or above grade 4.

(12) Assessing a pupil's understanding of and ability to use the technology necessary for success in the 21st century classroom and workplace.

(13) Providing for both formative and interim assessments, as those terms are defined in this chapter, in order to provide timely feedback for purposes of continually adjusting instruction to improve learning.

(14) Making use of test administration and scoring technologies that will allow the return of test results to parents and teachers as soon as is possible in order to support instructional improvement.

(15) Minimizing testing time while not jeopardizing the validity, reliability, fairness, or instructional usefulness of the assessment results.

(16) Including options for diagnostic assessments for pupils in grade 2.

(c) In developing the recommendations pursuant to this section, the Superintendent shall consult with all of the following:

(1) The state board.

~~(2) The committee advising the Superintendent on the Academic Performance Index pursuant to subdivision (a) of Section 52052.5.~~

~~(3)~~

(2) Measurement experts from California's public and private universities.

~~(4)~~

(3) Individuals with expertise in assessing pupils with disabilities and English learners.

~~(5)~~

(4) Teachers, administrators, and governing board members, from California's local educational agencies.

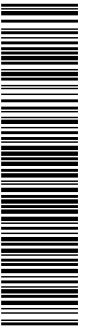
~~(6)~~

(5) Parents.

(d) The Superintendent shall report the recommendations developed pursuant to this section to the fiscal and appropriate policy committees of both houses of the Legislature on or before November 1, 2012.

SEC. 86. Section 60810 of the Education Code, as added by Section 6 of Chapter 478 of the Statutes of 2013, is amended to read:

60810. (a) (1) The Superintendent shall review existing assessments that assess the English language development of pupils whose primary language is a language other than English. The assessment for initial identification and the summative assessment shall include, but not be limited to, an assessment of achievement of these pupils in English reading, speaking, and written skills. The Superintendent shall determine which assessments, if any, meet the requirements of subdivisions (b) to (f), inclusive. If any existing assessment or series of assessments meets these criteria, the Superintendent, with approval of the state board, shall report to the Legislature on its findings and recommendations.



(2) If no suitable assessment exists, the Superintendent shall explore the option of a collaborative effort with other states to develop an assessment or series of assessments and share assessment development costs. If no suitable assessment exists, the Superintendent, with the approval of the state board, shall either release a request for proposals for the development of an assessment or series of assessments that meets the criteria of subdivisions (b) to (f), inclusive, or contract to modify an existing assessment or series of assessments so that it will meet the requirements of subdivisions (b) to (f), inclusive. The state board shall approve assessment blueprints, assessment performance descriptors, and performance-level cut scores based on standard settings.

(3) The Superintendent shall apportion funds appropriated to enable school districts to meet the requirements of subdivisions (c) and ~~(d)~~: ~~(e)~~. The state board shall establish the amount of funding to be apportioned per assessment administered, based on a review of the cost per assessment for initial identification and summative assessment purposes.

(4) An adjustment to the amount of funding to be apportioned per assessment is not valid without the approval of the Director of Finance. A request for approval of an adjustment to the amount of funding to be apportioned per assessment shall be submitted in writing to the Director of Finance and the chairpersons of the fiscal committees of both houses of the Legislature with accompanying material justifying the proposed adjustment. The Director of Finance is authorized to approve only those adjustments related to activities required by statute. The Director of Finance shall approve or disapprove the amount within 30 days of receipt of the request and shall notify the chairpersons of the fiscal committees of both houses of the Legislature of the decision.

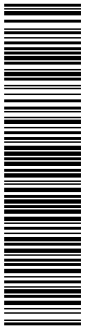
(b) (1) The assessment or series of assessments developed or acquired pursuant to subdivision (a) shall have sufficient range to assess pupils in grades 2 to 12, inclusive, in English listening, speaking, reading, and writing skills. Pupils in kindergarten and grade 1 shall be assessed in English listening and speaking, and, once an assessment is developed, early literacy skills. Six months after the results of three administrations are collected, but no later than June 30, 2013, the department shall report to the Legislature on the administration of the kindergarten and grade 1 early literacy assessment results, as well as on the administrative process, in order to determine whether reauthorization of the early literacy assessment is appropriate.

(2) In the development and administration of the assessment for pupils in kindergarten and grade 1, the department shall minimize any additional assessment time, to the extent possible. To the extent that it is technically possible, items that are used to assess listening and speaking shall be used to measure early literacy skills. The department shall ensure that the assessment and procedures for its administration are age and developmentally appropriate. Age and developmentally appropriate procedures for administration may include, but are not limited to, one-on-one administration, a small group setting, and orally responding or circling a response to a question.

(3) The assessment for initial identification developed or acquired pursuant to subdivision (a) shall have sufficient range to identify if the pupil is an English learner, as defined by Section 306.

(c) The assessment for initial identification shall meet all of the following requirements:

(1) Have psychometric properties of reliability and validity deemed adequate by technical experts.



(2) Be capable of administration to pupils with any primary language other than English.

(3) Be capable of administration by classroom teachers.

(4) Not discriminate on the basis of race, ethnicity, or gender.

(5) Be aligned with the standards for English language development adopted by the state board pursuant to Section 60811.3, as it read on June 30, 2013.

(6) Be age and developmentally appropriate for pupils.

(d) The assessment for initial identification shall be used to identify pupils who are limited English proficient.

(e) The summative assessment shall meet all of the following requirements:

(1) Provide sufficient information about pupils at each grade level to determine levels of proficiency ranging from no English proficiency to fluent English proficiency with at least two intermediate levels.

(2) Yield scores that allow comparison of the growth of a pupil over time, that may be tied to readiness for various instructional options, and that may be aggregated for use in the evaluation of program effectiveness.

(3) Have psychometric properties of reliability and validity deemed adequate by technical experts.

(4) Be capable of administration to pupils with any primary language other than English.

(5) Be capable of administration by classroom teachers.

(6) Not discriminate on the basis of race, ethnicity, or gender.

(7) Be aligned with the standards for English language development adopted by the state board pursuant to Section 60811.3, as it read on June 30, 2013.

(8) Be age and developmentally appropriate for pupils.

(f) The summative assessment shall be used for both of the following purposes:

(1) To identify the level of English language proficiency of pupils who are limited English proficient.

(2) To assess the progress of limited-English-proficient pupils in acquiring the skills of listening, reading, speaking, and writing in English.

(g) (1) A pupil in any of grades 3 to 12, inclusive, shall not be required to retake those portions of the assessment that measure English language skills for which he or she has previously tested as advanced within each appropriate grade span, as determined by the department in accordance with paragraph (8) of subdivision (e).

(2) Notwithstanding paragraph (1), a pupil in any of grades 10 to 12, inclusive, shall not be required to retake those portions of the assessment that measure English language skills for which he or she has previously tested as early advanced or advanced.

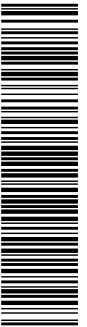
(3) This subdivision shall not be implemented unless and until the department receives written documentation from the United States Department of Education that implementation is permitted by federal law.

(h) (1) The Superintendent shall not administer an assessment for initial identification or a summative assessment pursuant to this section until both assessments are developed and adopted by the state board.

(2) The Superintendent shall report to the appropriate policy committees of the Legislature when the assessments are ready for their initial administration.

SEC. 87. Section 88821 of the Education Code is amended to read:

88821. (a) The Legislature finds and declares all of the following:



(1) California's economic competitiveness is fueled, in part, by the strength of its regional economies and its skilled workforce.

(2) Upward social and economic mobility helps keep the state's economy diversified and vibrant.

(3) The attainment of industry-valued "middle skill credentials" serves as a gateway for a large and diverse number of careers in the state's economy.

(4) California's local educational agencies, community college districts, interested public four-year universities, local workforce development boards, economic development and industry leaders, and local civic representatives should collaboratively work together to inform the offerings of courses, programs, pathways, and workforce development opportunities that enable students to access the current and future job market and further social and economic mobility.

(b) The Strong Workforce Program is hereby established as a K-14 state education, economic, and workforce development initiative for the purpose of expanding the availability of quality community college high-quality, industry-valued career technical education and workforce development courses, programs, pathways, credentials, certificates, and degrees.

(c) To facilitate program coordination and alignment with other workforce training, education, and employment services in the state, the Strong Workforce Program shall operate in a manner that complies with the California Strategic Workforce Development Plan, required pursuant to the federal Workforce Innovation and Opportunity Act (Public Law 113-128), and expand upon existing consortia infrastructure.

(d) To avoid duplication of effort, activities funded under the Strong Workforce Program shall be informed by, aligned with, and expand upon the activities of existing workforce and education regional partnerships, including those partnership activities that pertain to regional planning efforts established pursuant to the federal Workforce Innovation and Opportunity Act (Public Law 113-128), adult education block grant consortia, and ~~K-12 other~~ career technical education programs.

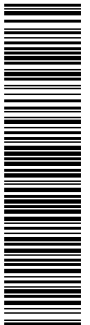
(e) All of the following guiding principles shall apply to each consortium participating in the Strong Workforce Program:

(1) ~~A~~ Any community college district or local educational agency participating in the consortium shall ensure that its ~~community college~~ career technical education and workforce development courses, credentials, certificates, degrees, programs, and ~~pathway offerings~~ offerings, as applicable, are responsive to the needs of employers, workers, civic leaders, and students.

(2) The consortium shall collaborate with other public institutions, including, but not limited to, ~~local educational agencies~~, adult education consortia, local workforce development boards, and interested California State University and University of California institutions.

(3) The consortium shall collaborate with civic representatives, representatives from the labor community, and economic development and industry sector leaders within the region.

(4) The consortium shall include collaborating entities and persons identified in this subdivision in planning meetings, provide them with adequate notice of the consortium's proposed decisions, and solicit, consider, and respond to comments from them regarding the consortium's proposed decisions.



(5) Collaborative efforts shall focus upon evidence-based decisionmaking and student success with workforce outcomes aligned with the performance accountability measures of the federal Workforce Innovation and Opportunity Act (Public Law 113-128), and closing labor market and employment gaps. Each consortium shall strive to align programmatic offerings in the most effective and efficient manner to avoid duplication of effort and streamline access to services, and education and training opportunities.

(6) ~~Community college districts~~ Community college districts, local educational agencies, and other entities participating in a consortium are encouraged to develop long-term partnerships with private sector employers and labor partners to provide coordinated courses, programs, and pathways with employer involvement in the assessment, planning, and development of ~~community college~~ career technical education courses, programs, and pathways. To the extent practicable, employer partnerships should build upon regional partnerships formed pursuant to the federal Workforce Innovation and Opportunity Act (Public Law 113-128) and other state or federal programs.

(7) ~~Community college districts~~ districts, local educational agencies, and other entities participating in a consortium are encouraged to develop and work closely with public and private organizations that offer workforce development programs and pathways to ~~young adults~~ individuals with autism and other developmental disabilities to provide a comprehensive approach to address workforce readiness and employment.

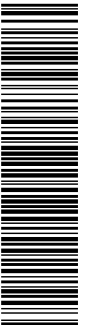
(f) The chancellor's office shall, in consultation with the California Workforce Development Board, the Academic Senate for California Community Colleges, and its partners formed pursuant to the federal Workforce Innovation and Opportunity Act (Public Law 113-128), as applicable, develop and implement policies and guidance necessary to implement the Community College component of the Strong Workforce Program, including policies and guidance necessary for consortia, including community college districts and their regional partners, to increase the number of aligned middle skill and career technical education courses, programs, pathways, credentials, certificates, and degrees. No later than June 30, 2017, the chancellor's office shall develop and implement policies and guidance pursuant to this subdivision and bring before the Board of Governors of the California Community Colleges any policies, regulations, and guidance necessary to accomplish all of the following:

(1) Facilitate the development, implementation, and sharing of career technical education effective practices, curriculum models and courses, and community college credentials, certificates, degrees, and programs across regions and among community college districts.

(2) Enable community college districts to develop career technical education and workforce outcomes, and applicable associate degrees and certificates as appropriate.

(3) Provide accessible performance and labor market data that can be used flexibly by participating community college districts and their regional partners to support the implementation of the Strong Workforce Program and related efforts to align regional workforce and education programming with regional labor market needs.

(4) Encourage local efficiency through coordinated and collaborative regional workforce efforts in which community college districts are partners.



(5) Support curriculum processes to ensure that students are able to efficiently transfer college-level career technical education credits across community college districts and to the California State University and the University of California.

(6) Improve sector-based engagement with employers within a region.

(7) Provide, in partnership with employers, work-based learning opportunities for students that increase their employability and earning potential.

(8) Enable community college districts to facilitate and optimize their resources to support the Strong Workforce Program and other related regional workforce development efforts.

(9) Ensure that community college district Strong Workforce Program expenditures are focused on improving student success with workforce outcomes for all students enrolled in community college career technical education courses, programs, and pathways.

(10) (A) Notwithstanding the June 30, 2017, implementation date specified in this subdivision, develop and implement a plan to streamline the course and curriculum approval process, both at the state and local levels. The plan shall reflect an expedited state approval process for career technical education courses, programs, and certificates, and may include the elimination of an existing state course and program approval process. The plan shall reflect one of the following two options:

(i) A process of course and curriculum approval that enables community college districts to develop a course or program within one academic year and to offer that course or program the subsequent academic year.

(ii) A process of course and curriculum approval that enables community college districts to develop a course or program within one academic semester and to offer that course or program the subsequent academic semester.

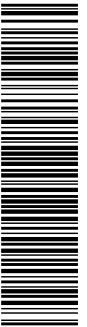
(B) The plan described in subparagraph (A) shall also reflect the creation of a process that enables career technical education courses and programs to be portable among community college districts. This process shall enable a community college district to adapt, adopt, or adapt and adopt another community college district's approved career technical education courses, programs, and curriculum within one academic semester and to offer that course or program, or utilize that curriculum, the subsequent academic semester.

(C) The chancellor's office shall consult with the Legislature and the Governor prior to implementing the plan. The plan shall be developed no later than July 1, 2017, and implemented no later than January 1, 2018.

(11) Eliminate barriers to hiring qualified instructors for career technical education courses, including reevaluating the required minimum qualifications for career technical education instructors.

(g) After June 30, 2017, and only as necessary, the chancellor's office may develop and implement revised policies and guidance for the Community College component only, and bring regulations before the Board of Governors of the California Community Colleges as necessary for a community college district and its regional partners to accomplish both of the following:

(1) Implement and expand the amount of aligned middle skill and career technical education credentials, certificates, degrees, courses, programs, and pathways in accordance with paragraphs (1) to (11), inclusive, of subdivision (f).



(2) Implement the recommendations of the Strong Workforce Task Force.

(h) (1) For purposes of this section, the chancellor's office shall consider input provided by relevant stakeholders, including the Academic Senate of the California Community Colleges, the Workforce Pathways Joint Advisory Committee, and the California Workforce Development Board, ~~prior to before~~ implementing revised guidance, policies, or regulatory ~~changes~~. changes for the Community College component.

(2) For purposes of ~~this article~~ the Community College component and in compliance with the consultation requirements in Sections 70901 and 70902, the Academic Senate of the California Community Colleges shall establish a career technical education subcommittee to provide recommendations on career technical education issues. No less than 70 percent of the subcommittee shall consist of career technical education faculty. The subcommittee's charter shall require it to provide assistance to community college districts to ensure that career technical education and its instruction is responsive and aligned to current and emergent industry trends, and ensure that similar courses, programs, and degrees are portable among community college districts.

SEC. 88. Section 88822 of the Education Code is amended to read:

88822. For purposes of this part, the following terms have the following meanings:

(a) "Career pathways" means an identified series of positions, work experiences, or educational benchmarks or credentials that offer occupational and financial advancement within a specified career field or related fields over time.

(b) "Career technical education credential" means a workforce certificate, degree, or industry-recognized credential.

(c) "Career Technical Education Regional Consortium," or "consortium," means an administrative grouping of community college districts and local educational agencies by the Division of Workforce and Economic Development of the chancellor's office for the purpose of coordination and joint planning within regions, as defined in subdivision (i). (p). Local educational agencies shall be grouped based on their association with community college districts. In the event that a local educational agency does not fall within the geographical boundaries of any community college district, the local educational agency shall be grouped with the nearest community college district.

(d) "Chancellor's office" means the Office of the Chancellor of the California Community Colleges.

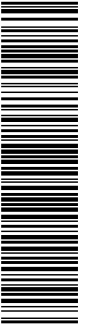
(e) "Community College component" means the funding allocated pursuant to Section 88825.

(f) "Deputy Sector Navigator" means an individual serving as an in-region contact for an industry or occupational cluster, working with the region's colleges and employers to create alignment around and deliver on workforce training and career pathways.

(e)

(g) "Industry" or "industry sectors" means trade associations or those firms that produce similar products or provide similar services using somewhat similar business processes.

(h) "Joint powers authority" means an entity established in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the



Government Code for purposes of providing instruction to pupils enrolled in grades 9 to 12, inclusive.

(i) “K-12 component” means funding allocated pursuant to Section 88827.

(j) “K-12 Workforce Pathway Coordinator” means an individual serving as an in-region contact to provide technical assistance and support to K-12 local educational agencies pursuant to subdivision (a) of Section 88833.

(k) “K-14 Technical Assistance Provider” means an individual serving as the in-region contact pursuant to subdivision (b) of Section 88833 to provide leadership and technical assistance regionwide on K-14 career technical education programs or pathways.

(l) “Local educational agency” means a school district, county office of education, or charter school.

(m)

(m) “Middle skill credential” means a certificate, associate’s degree, or industry-recognized credential that is less than a bachelor’s degree but more than a high school diploma and facilitates student success with workforce outcomes.

(n)

(n) “Plan” means the regional plan established under this part.

(o)

(o) “Program” means the Strong Workforce Program established under this part.

(p)

(p) “Region” means a geographic area of the state defined by economic and labor market factors containing at least one industry cluster and the cities, counties, or community college districts, and local educational agencies, or all of them, in the industry cluster’s geographic area. To the extent possible, for the purposes of this part, collaborative regions should align with federal Workforce Innovation and Opportunity Act (Public Law 113-128) regional planning unit boundaries specified in the California Strategic Workforce and Development Plan and expand upon existing consortium infrastructure established by the chancellor’s office.

(q)

(q) “Strong Workforce Task Force” means the Task Force on Workforce, Job Creation and a Strong Economy commissioned by the Board of Governors of the California Community Colleges.

SEC. 89. Section 88823 of the Education Code is amended to read:

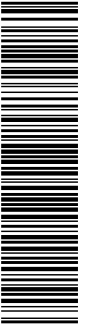
88823. (a) ~~Commencing~~ This section applies to the Community College component only.

(b) Commencing July 1, 2017, as a condition of receipt of funds from this program allocated pursuant to Section 88825 for a fiscal year, each consortium, in consultation with collaborating entities identified in paragraph (2) of subdivision (e) of Section 88821, shall submit a plan to the chancellor’s office that has been updated for that fiscal year.

(c)

(c) The plan pursuant to subdivision (a) (b) shall include all of the following requirements:

(1) The names of the community college districts participating in the consortium, including the name of the community college identified as the consortium’s fiscal





agent, and the names of entities collaborating pursuant to paragraph (2) of subdivision (e) of Section 88821.

(2) The governance model for the consortium. Decisions governing, or relating to, the distribution of fiscal resources shall be determined exclusively by the community college districts participating in the consortium.

(3) An analysis of regional labor market needs informed by a federal Workforce Innovation and Opportunity Act (Public Law 113-128) economic analysis and other sources as applicable. This analysis shall also include wage data for each industry sector or labor market need identified.

(4) An inventory of regionally prioritized and locally prioritized projects and programs that close relevant labor market and employment gaps.

(5) Measurable regional goals that align with the performance accountability measures of the federal Workforce Innovation and Opportunity Act (Public Law 113-128).

(6) For regionally prioritized projects and programs, a work plan, spending plan, and budget. The work plan, spending plan, and budget shall identify the amount of funding allocated for one-time and ongoing expenditures.

(7) A description of the alignment of work plans, spending plans, and other education and workforce plans guiding services in the region, including plans pertaining to the building of career pathways and the employment of workforce sector strategies and those plans required pursuant to the federal Workforce Innovation and Opportunity Act (Public Law 113-128).

~~(e)~~

~~(d)~~ Each consortium shall submit a plan by January 31 once every four years and shall annually update the plan by January 31 of each year until the next new plan is submitted.

~~(d)~~

~~(e)~~ The chancellor's office shall review the plans on a four-year cycle and ensure that annual updates are made by each consortium. The chancellor's office shall determine if each consortium has made significant progress in meeting the goals and measures outlined in its plan, and provide technical assistance to a consortium that has not met its goals. The chancellor's office is encouraged to provide technical assistance pursuant to this subdivision through the Institutional Effectiveness Partnership Initiative.

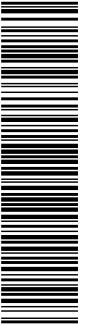
~~(e)~~

~~(f)~~ To avoid duplication of effort, plans developed pursuant to this section shall be informed by, aligned with, and expand upon regional plans and planning efforts established pursuant to the federal Workforce Innovation and Opportunity Act (Public Law 113-128).

~~(f)~~

~~(g)~~ Community college districts participating in a consortium shall utilize their region's plan to inform local campus planning efforts to implement career technical education courses, programs, and pathways and integrate available local, regional, state, and nonpublic resources to ensure that students will achieve successful workforce outcomes.

~~(g)~~



(h) Community college districts shall meet with the members of their consortium not less than annually to inform on the delivery of career technical education and workforce development courses, programs, and pathways within the region.

(h)

(i) Each region's plan shall be for the primary purpose of informing the development of strategies related to career technical education and workforce development courses, programs, and pathways. Each region's plan shall reflect strategies to efficiently and effectively utilize any available public and private resources, including funds for the Career Technical Education Pathways Program established in Part 52 (commencing with Section 88530), in a manner that better aligns career technical education courses, programs, and pathways with the needs of their regional economies.

(i)

(j) It is the intent of the Legislature to align community college career technical education programs within the Strong Workforce Program. Staff from the chancellor's office, the Legislative Analyst's Office, and the Department of Finance are requested to investigate the potential consolidation of community college career technical education programs within the Strong Workforce Program.

SEC. 90. Section 88825 of the Education Code is amended to read:

88825. (a) This section applies to the Community College component only, and applies commencing with the 2017–18 fiscal year.

(b) To promote the success of community college students and the career technical education programs that serve them, up to 5 percent of the funds appropriated for the ~~program~~ Community College component may be allocated by the Board of Governors of the California Community Colleges to a community college district for statewide activities to improve and administer the program, including the facilitation of system, program, and data alignment at the state and regional levels and the implementation of the 25 recommendations presented to the board of governors on January 19 and 20, 2016, by the Strong Workforce Task Force. The chancellor's office shall consult with the California Workforce Development Board and other appropriate state agencies on the development of all statewide activities that would be implemented by the selected district to facilitate broader workforce and education system alignment. Statewide coordination activities funded out of this allocation may include, but are not limited to, the following activities:

(1) State-level coordination for the development of labor market analyses pertaining to economic and industry trends and jobs projections for the purpose of supporting common regional planning efforts and the alignment of career technical education program offerings with regional labor market dynamics.

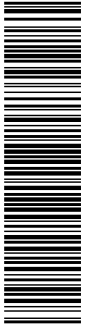
(2) Research, evaluation, and technical assistance on the use of effective local and regional policies, best practices, and model partnerships.

(3) Development and prototyping of innovative policies, practices, and coordinated services with local workforce and education partners.

(4) Participation of community college districts in existing regional coalitions and planning efforts.

(5) Cross-training local program staff.

(6) Development and maintenance of a state-level cross-system data reporting mechanism with partners formed pursuant to the federal Workforce Innovation and



Opportunity Act (Public Law 113-128) for the purpose of monitoring workforce program outcomes and performance accountability.

(7) Leveraging allocated funds with state and local partners through interagency agreements, memorandums of understanding, or other appropriate mechanisms.

(c) (1) Forty percent of the funds apportioned for the Community College component of the program shall be apportioned directly to the fiscal agent of the consortium for the purpose of funding regionally prioritized projects and programs that meet the needs of local and regional economies, as identified in regional plans and Workforce Innovation and Opportunity Act (Public Law 113-128) regional plans.

(2) Sixty percent of the funds apportioned for the Community College component of the program shall be apportioned directly to community college districts in the consortium. Funds apportioned directly to a community college district shall be expended for the purpose of funding regionally prioritized projects and programs within the community college district that meet the needs of local and regional economies, as identified in regional plans and Workforce Innovation and Opportunity Act (Public Law 113-128) regional plans. As a condition of receiving direct funding, each community college district shall actively participate in its consortium.

(d) The allocation of funds to a consortium shall be based on a schedule determined by the chancellor's office and is effective for the four years of each plan cycle. Within the four-year plan cycle, this schedule may be altered to reflect changes in the statewide allocation for the program as appropriated in the annual Budget Act.

(e) The chancellor's office shall provide to the Department of Finance and the Legislative Analyst's Office its recommendations for the allocation of funds available for each consortium no later than August 30 of each year. The department shall approve the allocation plan before the release of funding.

(f) (1) For each four-year plan cycle, the chancellor's office shall determine the amount of funds to be allocated to each consortium based on the following weighted factors in each region:

(A) The unemployment rate. This factor shall comprise 33 percent of the allocation formula.

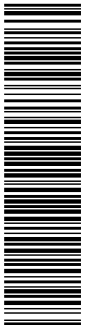
(B) The proportion of career technical education full-time equivalent students. This factor shall comprise 33 percent of the allocation formula.

(C) The proportion of projected job openings. This factor shall comprise 17 percent of the allocation formula.

(D) The proportion of successful workforce outcomes as evidenced by the performance accountability measures of the federal Workforce Innovation and Opportunity Act (Public Law 113-128). This factor shall comprise 17 percent of the allocation formula.

(2) For each four-year plan cycle, the chancellor's office shall determine the amount of funds to be allocated directly to each community college district within a consortium based on the weighted factors, specified in subparagraphs (A) to (D), inclusive, of paragraph (1), in each district within the region.

(g) A consortium shall allocate funds in accordance with its plan and only to community college districts. Decisions governing, or relating to, the distribution of the consortium's fiscal resources shall be determined exclusively by the community college districts participating in the consortium.



(h) As a condition of receipt of funds under this section, a participating community college district shall comply with all of the following:

- (1) Be a member of a consortium.
- (2) Participate in regional planning efforts formed pursuant to the federal Workforce Innovation and Opportunity Act (Public Law 113-128) and other efforts that align workforce, employment, and education services.
- (3) Work with other consortium members to create and submit a plan to the chancellor's office by January 31 of every fourth year of a four-year plan cycle.
- (4) Provide accessible performance and labor market data that can be used by community college districts and their regional partners to support the implementation of the program and any related efforts to align regional workforce and education programming with regional labor market needs, including, but not limited to, regional planning efforts established pursuant to the federal Workforce Innovation and Opportunity Act (Public Law 113-128).

(5) Include interested public universities and local educational agencies in regional planning.

(6) Certify that the use of funds will meet the intent of the program to accomplish all of the following:

(A) Increase the number of students in quality career technical education courses, programs, and pathways that will achieve successful workforce outcomes.

(B) Increase the number of quality career technical education courses, programs, and pathways that lead to successful workforce outcomes, or invest in new or emerging career technical education courses, programs, and pathways that may become operative in subsequent years and are likely to lead to successful workforce outcomes.

(C) Address recommendations from the Strong Workforce Task Force, including the recommended provision of student services related to career exploration, job readiness and job placement, and work-based learning.

(i) Funds appropriated to community college districts for the program shall supplement, not supplant, existing funding of community college career technical education programs. This subdivision shall not be interpreted to mean that a participating community college district is prohibited from eliminating or altering existing programs, but the percentage of that community college district's total full-time equivalent students enrolled in career technical education courses relative to the total full-time equivalent students enrolled in the district shall not be reduced from the percentage computed for the 2015–16 fiscal year.

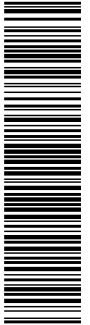
(j) Programs, courses, or instructional materials developed using funding from the program may be made available to all community college districts, as appropriate, through the online clearinghouse of information created as part of the Institutional Effectiveness Partnership Initiative.

SEC. 91. Section 88826 of the Education Code is amended to read:

88826. (a) ~~The~~ This section applies to the Community College component only.

(b) The chancellor's office shall post on its Internet Web site, for ease of access, all regional plans and their subsequent progress plans, and solicit feedback from each consortium on recommendations they have for overall program improvement.

(c) The chancellor's office shall implement performance accountability outcome measures for the Community College component of the program that provide the Governor, the Legislature, and the general public with information that quantifies



employer and student outcomes for those participating in the program. These performance accountability measures shall, to the extent possible, align with the performance accountability measures of the federal Workforce Innovation and Opportunity Act (Public Law 113-128). Outcome measures shall include, to the extent possible, demographic data, to allow policymakers and the general public to evaluate progress in closing equity gaps in program access and completion, and earnings of underserved demographic groups.

~~(b) The chancellor's office shall post on its Internet Web site, for ease of access, all regional plans and their subsequent progress plans, and solicit feedback from each consortium on recommendations they have for overall program improvement.~~

~~(e)~~

(d) (1) Commencing in 2018, the chancellor's office shall submit a report on the Community College component of the program to the Governor and the Legislature on or before the January 1 immediately subsequent to the fiscal year which the report addresses. This report shall include, but is not limited to, all of the following:

(A) Data summarizing outcome accountability performance measures collected by the chancellor's office pursuant to subdivision (a). ~~(c).~~

(B) A summary of recommendations for program improvement collected by the chancellor's office pursuant to subdivision (b).

(C) Recommendations for future allocations to consortiums based upon program outcomes, including, at a minimum, the number of certificates granted to, and wage increases of, students who have completed a career technical education program.

(2) A report to be submitted pursuant to ~~paragraph (1)~~ this subdivision shall be submitted in compliance with Section 9795 of the Government Code.

SEC. 92. Section 88827 is added to the Education Code, to read:

88827. (a) This section applies to the K-12 component only.

(b) Commencing with the 2018–19 fiscal year, the amount appropriated in the annual Budget Act for the K-12 component of the Strong Workforce Program is provided to create, support, or expand high-quality career technical education programs at the K-12 level that are aligned with the workforce development efforts occurring through the Strong Workforce Program.

(c) (1) Pursuant to subdivision (b), two hundred million dollars (\$200,000,000) shall be apportioned by the chancellor's office to the fiscal agent of each consortium based on the following weighted factors in each region:

(A) The unemployment rate. This factor shall comprise 33 percent of the allocation formula.

(B) The region's total average daily attendance for pupils in grades 7 to 12, inclusive. This factor shall comprise 33 percent of the allocation formula. For purposes of this section, average daily attendance shall be those figures that are reported at the time of the second principal apportionment for the previous fiscal year.

(C) The proportion of projected job openings. This factor shall comprise 34 percent of the allocation formula.

(2) Of the amounts apportioned to each consortium pursuant to paragraph (1), 4 percent is designated for applicants with total average daily attendance of less than or equal to 140, 8 percent is designated for applicants with total average daily attendance of more than 140 and less than or equal to 550, and 88 percent is designated for applicants with total average daily attendance of more than 550, unless otherwise



determined by the K-12 Selection Committee formed pursuant to Section 88829, in consultation with the consortium. For any applicant consisting of more than one school district, county office of education, charter school, or regional occupational center or program operated by a joint powers authority, or any combination of those entities, the sum of the average daily attendance for each of the constituent entities shall be used for purposes of this subdivision.

(3) The chancellor's office shall provide to the Superintendent of Public Instruction, the Department of Finance, and the Legislative Analyst a schedule of proposed allocations, as determined pursuant to paragraph (1), for each consortium no later than August 30 of each year. The Department of Finance shall approve the allocation plan before the release of funding.

(d) Funds appropriated in the annual Budget Act to support consortia administrative costs shall be apportioned by the chancellor's office in an amount equal to 1 percent of each consortium's K-12 allocation pursuant to this section to support the costs to administer the regional grant process and to support the duties of the K-12 Selection Committee.

SEC. 93. Section 88828 is added to the Education Code, to read:

88828. This section applies to the K-12 component only. Each consortium shall administer a competitive grant program to distribute funding allocated pursuant to subdivision (c) of Section 88827 to eligible grant recipients. Consortia are encouraged to collaboratively develop a uniform grant application process that includes a process for grant renewals and for a grant applicant to appeal a grant award decision of the K-12 Selection Committee. Local educational agencies applying to receive a grant from a consortium shall comply with all of the following:

(a) The local educational agency shall be located within the geographical boundaries of the consortium, and engage in regional efforts to align workforce, employment, and education services.

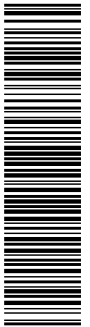
(b) The local educational agency shall use its consortium's plan developed pursuant to Section 88823 to inform their efforts to create, support, implement or expand upon career technical education courses, course sequences, programs, and pathways, and to the extent possible, integrate available local, regional, state, and private resources to improve the successful outcomes of pupils enrolled in career technical education courses, course sequences, programs, and pathways. To the extent an applicant's career technical education program, or programs, offered in the 2018–19 fiscal year do not align with its consortium's plan developed pursuant to Section 88823, the applicant shall be deemed to meet this requirement by including in its grant application the steps that it will take during the 2018–19 fiscal year to align its career technical education program, or programs, with its consortium's plan.

(c) (1) The local educational agency shall provide matching funds for any grant funding received from this program as follows:

(A) For regional occupational centers or programs operated by a joint powers authority, one dollar (\$1) for every one dollar (\$1) received from this program.

(B) For local educational agencies, two dollars (\$2) for every one dollar (\$1) received from this program.

(2) The local match may include funding from school district and charter school local control funding formula apportionments pursuant to Section 42238.02, the federal Carl D. Perkins Career and Technical Education Improvement Act of 2006 (20 U.S.C.



Sec. 2301 et seq.), or its successor, the partnership academies program pursuant to Article 5 (commencing with Section 54690) of Chapter 9 of Part 29 of Division 4 of Title 2, the agricultural career technical education incentive program pursuant to Article 7.5 (commencing with Section 52460) of Chapter 9 of Part 28 of Division 4 of Title 2, or any other source, except as provided in paragraph (3).

(3) The local match described in this subdivision shall not include any funding received by the applicant from the California Career Pathways Trust established pursuant to Section 53010, or the California Career Technical Education Incentive Grant Program established pursuant to Section 53070.

(4) An applicant's matching funds shall be used to support the program, or programs, for which the applicant was awarded a grant.

(d) The applicant, or the applicant's career technical education program, as applicable, shall meet all of the following minimum eligibility standards:

(1) Is informed by, aligned with, and expands upon regional plans and planning efforts occurring through the Strong Workforce Program.

(2) Offers high-quality curriculum and instruction aligned with the California Career Technical Education Model Curriculum Standards adopted by the State Board of Education pursuant to Section 51226, including, but not limited to, providing a coherent sequence of career technical education courses that enable pupils to transition to postsecondary education or training programs that lead to a career pathway or attain employment upon graduation from high school.

(3) Provides pupils with quality career exploration and guidance.

(4) Provides pupil support services, including, but not limited to, counseling and leadership development.

(5) Provides opportunities for pupils to participate in after-school, extended-day, and out-of-school internships, competitions, and other work-based learning opportunities.

(6) Leads to an industry-recognized credential or certificate, or appropriate postsecondary training or employment.

(7) Is staffed by skilled teachers or faculty and provides professional development opportunities for those teachers or faculty members.

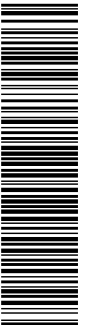
(8) (A) Reports data that can be used by policymakers, local educational agencies, community college districts, and their regional partners to support and evaluate the program, including, to the extent possible, demographic data used to evaluate progress in closing equity gaps in program access and completion, and earnings of underserved demographic groups.

(B) Data reported pursuant to this paragraph shall include, but is not limited to, metrics aligned with the core metrics required by the federal Workforce Innovation and Opportunity Act (Public Law 113-128), the College/Career Indicator included in the California School Dashboard, and the quality indicators described in the California State Plan for Career Technical Education required by the federal Carl D. Perkins Career and Technical Education Improvement Act of 2006 (20 U.S.C. Sec. 2301 et seq.), or its successor, and the following metrics:

(i) The number of pupils completing high school.

(ii) The number of pupils completing career technical education coursework.

(iii) The number of pupils obtaining an industry-recognized credential, certificate, license, or other measure of technical skill attainment.



(iv) The number of former pupils employed and the types of businesses in which they are employed.

(v) The number of former pupils enrolled in each of the following:

(I) A postsecondary educational institution, disaggregated by public, private nonprofit, and private for-profit institutions.

(II) A state apprenticeship program.

(III) Another form of job training.

(C) No later than November 30 of each fiscal year, the Workforce Pathways Joint Advisory Committee established pursuant to Section 12053 shall review the data metrics specified in subparagraph (B) and make recommendations to the fiscal and appropriate policy committees of both houses of the Legislature and to the Department of Finance as to whether they are the most appropriate metrics to measure and evaluate program outcomes for both new and renewal applicants, and whether other metrics should be included.

(D) Data collected pursuant to this section shall be reported by the grant recipient to the State Department of Education and their K-14 Technical Assistance Provider by November 1 immediately following the fiscal year for which the data is being reported. The K-14 Technical Assistance Provider shall annually notify the K-12 Selection Committee in each region of any grant recipient that fails to provide the required outcome data. The K-12 Selection Committee, in consultation with the consortium, may terminate or rescind contracts and grants from grantees that fail to provide the required outcome-based data pursuant to this paragraph.

(E) The State Department of Education shall make the data reported pursuant to subparagraph (D) available to the chancellor's office on a date to be determined by the chancellor's office, to ensure the data is included on the California Community Colleges LaunchBoard data platform.

(F) No later than January 31, 2023, the State Department of Education shall submit a report to the Governor and the Legislature evaluating the progress that local educational agencies have made in expanding the availability of high-quality, industry-valued career technical education and workforce development opportunities, and improving coordination and alignment with other workforce training, education, and employment services in the state. The report required by this subparagraph shall be submitted in compliance with Section 9795 of the Government Code.

SEC. 94. Section 88829 is added to the Education Code, to read:

88829. (a) For purposes of awarding grants under the K-12 component of the Strong Workforce Program, each consortium shall form a K-12 Selection Committee made up of individuals with expertise in K-12 career technical education and workforce development. The K-12 Selection Committee membership shall be composed of all of the following:

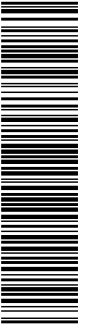
(1) Current or former K-12 career technical education teachers and administrators.  
(2) Charter school representatives, including representatives of charter schools operating pursuant to subdivision (a) of Section 47612.1.

(3) Career guidance counselors.

(4) Representatives of industries that are prioritized by the consortium.

(5) At least one community college faculty or administrator.

(6) Other K-12 education stakeholders, or other stakeholders, as determined by the consortium.





(b) The K-14 Technical Assistance Provider in each consortium shall serve as a consultant to the K-12 Selection Committee.

(c) (1) Decisions governing, or relating to, the distribution of fiscal resources for the K-12 component shall be made exclusively by the K-12 Selection Committee, including selection of grant recipients and specific funding amounts for each grant.

(2) The K-12 Selection Committee shall annually notify the Superintendent of Public Instruction, the State Board of Education, the Department of Finance, and the fiscal and appropriate policy committees of both houses of the Legislature of the amount awarded to each grant recipient and the activities to be supported by the grant.

(d) To be eligible to receive a grant, a local educational agency with a representative on the K-12 Selection Committee shall maintain appropriate and transparent internal controls and processes to ensure that the local educational agency representative's duties and responsibilities are clearly delineated, identified, and distinguished from the duties and responsibilities conferred upon the local educational agency as a grant applicant and recipient.

SEC. 95. Section 88830 is added to the Education Code, to read:

88830. (a) When determining grant recipients under the K-12 component of the Strong Workforce Program, the K-12 Selection Committee shall consider past performance of grantees before awarding additional funds to those reapplying for grants.

(b) (1) The K-12 Selection Committee shall give positive consideration to each of the following characteristics in an applicant:

(A) Aligned programs serving unduplicated pupils, as defined in Section 42238.02.

(B) Programs that the K-12 Selection Committee, in consultation with the consortium, determines most effectively meet the needs of the local and regional economies.

(C) Programs serving pupil subgroups that have higher than average dropout rates as identified by the Superintendent of Public Instruction.

(D) Programs located in an area of the state with a high unemployment rate.

(2) When determining grant recipients, the K-12 Selection Committee shall give greatest weight to the applicant characteristics included in this subdivision.

(c) The K-12 Selection Committee shall also give positive consideration to programs to the extent they do any of the following:

(1) Successfully leverage one or both of the following:

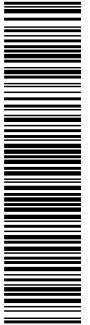
(A) Existing structures, requirements, and resources of the federal Carl D. Perkins Career and Technical Education Improvement Act of 2006 (20 U.S.C. Sec. 2301 et seq.), or its successor, the partnership academies program pursuant to Article 5 (commencing with Section 54690) of Chapter 9 of Part 29 of Division 4 of Title 2, or the agricultural career technical education incentive program pursuant to Article 7.5 (commencing with Section 52460) of Chapter 9 of Part 28 of Division 4 of Title 2.

(B) Contributions from industry, labor, and philanthropic sources.

(2) Make significant investments in career technical education infrastructure and equipment.

(3) Operate within rural school districts.

SEC. 96. Section 88831 is added to the Education Code, to read:



88831. (a) A grant recipient for purposes of the K-12 component may consist of one or more, or any combination, of the following:

- (1) School districts.
- (2) County offices of education.
- (3) Charter schools.
- (4) Regional occupational centers or programs operated by a joint powers authority, provided that the application has the written consent of each participating local educational agency.

(b) Each consortium shall work with its K-14 Technical Assistance Provider to provide notice to county offices of education, other local educational agencies, middle schools, high schools, and regional occupational centers and programs eligible for grants under this section of the availability of contracts and grants and the process for submitting an application.

SEC. 97. Section 88832 is added to the Education Code, to read:

88832. (a) As a condition of receiving funds for purposes of the K-12 component, grant recipients shall do both of the following:

- (1) Certify to the K-12 Selection Committee that grant funds received and the matching funds contributed by each local educational agency shall be used solely for the purpose of supporting the program or programs for which the grant is awarded.
- (2) Make expenditure data on career technical education programs available for purposes of determining if the grant recipients have met the matching funds requirements specified in subdivision (c) of Section 88828, and for monitoring the use of funds provided pursuant to Section 88827.

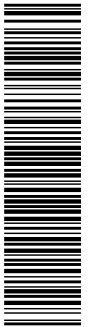
(b) The Controller shall include the instructions necessary to enforce the requirements pertaining to the K-12 component of the Strong Workforce Program in the audit guide required by Section 14502.1.

SEC. 98. Section 88833 is added to the Education Code, to read:

88833. (a) (1) Commencing with the 2018–19 fiscal year, the amount appropriated in the annual Budget Act for support of the K-12 Workforce Pathway Coordinators and the K-14 Technical Assistance Providers shall be used to establish a K-12 Workforce Pathway Coordinator within the geographical boundaries of each community college district, unless otherwise determined by the Superintendent of Public Instruction and the chancellor's office. K-12 Workforce Pathway Coordinators shall be selected through a competitive process jointly administered by the Superintendent of Public Instruction and the chancellor's office, and shall perform duties, including, but not limited to, all of the following:

(A) Providing technical assistance and support to local educational agencies in utilizing their region's plan developed pursuant to Section 88823 to inform local planning efforts to implement career technical education courses, programs, and pathways and integrate available local, regional, state, and private resources to ensure that pupils will achieve successful workforce outcomes.

(B) Collaborating on behalf of the local educational agencies within the consortium, including identifying and advocating for K-12 programmatic priorities. As part of this duty, each K-12 Strong Workforce Pathway Coordinator shall stay current with the needs of K-12 career technical education programs and their regional and local labor markets in order to provide guidance, in collaboration with local



educational agencies participating in the consortium, to the chancellor's office, the consortium, and industry representatives.

(C) Acting as first point of contact for local educational agencies, industry representatives, and employers with the intent of assisting local educational agencies to respond to industry needs and facilitating industry connection with K-12 career technical education programs.

(D) Cultivating collaborative communities so that local educational agencies and industry representatives can collaborate and provide peer-to-peer knowledge exchange in areas of common interest to inform the development of high-quality education programs.

(E) Working in conjunction with the Deputy Sector Navigators to improve linkages and alignment of career education pathways between middle schools, high schools, public postsecondary institutions, and the workforce.

(2) An individual associated with any of the following may apply to serve as a K-12 Workforce Pathway Coordinator, or any of the following may subcontract with an individual with expertise in K-12 education and workforce development to serve as a K-12 Workforce Pathway Coordinator:

(A) School districts.

(B) County offices of education.

(C) Charter schools.

(D) Regional occupational centers or programs operated by a joint powers authority.

(3) The Superintendent of Public Instruction and the chancellor's office shall agree upon an outcome-based assessment that allows for an evaluation of the K-12 Workforce Pathway Coordinators' ability to perform the duties identified in paragraph (1). Data required for purposes of this evaluation shall be submitted by the K-12 Workforce Pathway Coordinators to the Superintendent of Public Instruction and the chancellor's office at least annually, commencing in the 2019–20 fiscal year.

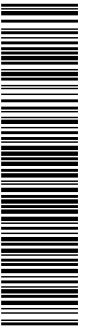
(b) (1) Commencing with the 2018–19 fiscal year, the amount appropriated in the annual Budget Act for support of the K-12 Workforce Pathway Coordinators and the K-14 Technical Assistance Providers shall be used to support the activities of the K-14 Technical Assistance Providers established under the California Career Pathways Trust. One K-14 Technical Assistance Provider shall be selected for each consortium through a competitive process jointly administered by the Superintendent of Public Instruction and the chancellor's office, and shall perform duties, including, but not limited to, all of the following:

(A) Providing leadership, guidance, and technical assistance to create, support, expand, and improve career technical education opportunities for local educational agencies.

(B) Acting as a liaison between the consortium and the State Department of Education, and serving as a consultant to the K-12 Selection Committee.

(C) Interacting with the K-12 Workforce Pathway Coordinators and the Deputy Sector Navigators to improve linkages and career education pathways between middle schools, high schools, public postsecondary institutions, and the workforce.

(D) Identifying professional development opportunities for the K-12 Workforce Pathway Coordinators and educational entities, including educational leaders and counselors.



(E) Regularly facilitating the convening of K-12 Strong Workforce Program grantees to develop a network of educators to share best practices and cultivate state resources that can be used by agencies charged with providing assistance within the statewide system of support authorized pursuant to Section 52059.5.

(2) Any of the following may apply to serve as a K-14 Technical Assistance Provider, or subcontract with an individual with expertise in K-12 education and workforce development to serve as a K-14 Technical Assistance Provider:

- (A) School districts.
- (B) County offices of education.
- (C) Charter schools.
- (D) Regional occupational centers or programs operated by a joint powers authority.
- (E) Community college districts.

(3) The Superintendent of Public Instruction and the chancellor's office shall agree upon an outcome-based assessment that allows for an evaluation of the K-14 Technical Assistance Providers' ability to perform the duties identified in paragraph (1). Data required for purposes of this evaluation shall be submitted by the K-14 Technical Assistance Providers to the Superintendent of Public Instruction and the chancellor's office at least annually, commencing in the 2019–20 fiscal year.

(4) In selecting the K-14 Technical Assistance Providers, the Superintendent of Public Instruction and the chancellor's office shall give priority to applicants who served as a K-14 Technical Assistance Provider under the California Career Pathways Trust pursuant to paragraph (2) of subdivision (e) of Section 53015.

(c) To promote the successful transition to the K-12 Strong Workforce Program, notwithstanding subdivisions (a) and (b), for the 2018–19 fiscal year only, the amount appropriated in the annual Budget Act for support of the K-12 Workforce Pathway Coordinators and the K-14 Technical Assistance Providers shall also be available for the purposes of integrating the K-12 component into the regional consortia and hiring and developing the K-12 Workforce Pathway Coordinators and K-14 Technical Assistance Providers.

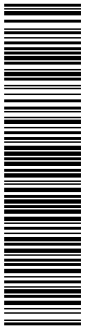
(d) Any funds not utilized for the purposes identified in subdivision (a), (b), or (c) shall be added to the amount appropriated in the annual Budget Act for the K-12 component of the Strong Workforce Program, and provided to the consortia to create, support, or expand career technical education programs at the K-12 level that are aligned with the workforce development efforts occurring through the Strong Workforce Program.

SEC. 99. Section 7906 of the Government Code is amended to read:

7906. For school districts:

(a) “ADA” (1) For the 1980–81 to 2012–13 fiscal years, inclusive, “ADA” means a school district's second principal apportionment units of average daily attendance as determined pursuant to Section 42238.5 of the Education Code, including average daily attendance in summer school, regional occupational centers and programs, and apprenticeship programs, and excluding average daily attendance in adult education programs. All other units of average daily attendance including, but not limited to, special day classes for special education pupils, shall be included.

(+)



(A) For purposes of this subdivision, the average daily attendance of apprenticeship programs shall be determined pursuant to Section 79149.1 of the Education Code.

(2)

~~(B) For the 2008–09 fiscal year and each fiscal year thereafter, to 2012–13 fiscal years, inclusive, the average daily attendance of public school districts, including county superintendents of schools, serving kindergarten and grades 1 to 12, inclusive, or any part thereof, shall include the same amount of average daily attendance for classes for supplemental instruction and regional occupational centers and programs that was used for purposes of this section for the 2007–08 fiscal year.~~

(2) For the 2013–14 fiscal year and each fiscal year thereafter, “ADA” means a school district’s second principal apportionment units of average daily attendance, as determined pursuant to Section 42238.05 of the Education Code.

(b) “Foundation program level” means:

(1) For the 1978–79 fiscal year, one thousand two hundred forty-one dollars (\$1,241) for elementary school districts, one thousand three hundred twenty-two dollars (\$1,322) for unified school districts, and one thousand four hundred twenty-seven dollars (\$1,427) for high school districts.

(2) For the 1979–80 fiscal year to the 1986–87 fiscal year, inclusive, the levels specified in paragraph (1) increased by the lesser of the change in cost of living or California per capita personal income for the preceding calendar year.

(3) For the 1986–87 fiscal year, the levels specified in paragraph (2) increased by one hundred eighty dollars (\$180) for elementary school districts, one hundred ninety-one dollars (\$191) for unified school districts, and two hundred seven dollars (\$207) for high school districts.

(4) For the 1987–88 fiscal year, the levels specified in paragraph (3) increased by the lesser of the change in cost of living or California per capita personal income for the preceding calendar year.

(5) For the 1988–89 fiscal year and each fiscal year thereafter, the foundation program level shall be the appropriations limit of the school district for the current fiscal year, plus amounts paid for any nonreimbursed court or federal mandates imposed on or after November 6, 1979, less the sum of the following:

(A) Interest earned on the proceeds of taxes during the current fiscal year.

(B) The 50 percent of miscellaneous funds received during the current fiscal year that are from the proceeds of taxes.

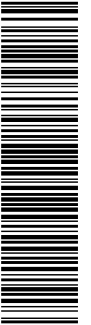
(C) Locally voted taxes received during the current fiscal year, such as parcel taxes or square foot taxes, unless for voter-approved bonded debt.

(D) Any other local proceeds of taxes received during the current fiscal year, other than local taxes ~~which count towards the revenue limit, that offset state aid,~~ such as excess bond revenues transferred to a district’s general fund pursuant to Section 15234 of the Education Code.

(c) “Proceeds of taxes” shall be deemed to include subventions received from the state only if those subventions are for one of the following two purposes:

(1) Basic aid subventions of one hundred twenty dollars (\$120) per ADA.

(2) ~~(A) Additional apportionments that, when added to the district’s local revenues as defined in Section 42238 of the Education Code, revenues, do not exceed the foundation program level for that district. In no case shall subventions received from~~



the state for reimbursement of state mandates in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 or for reimbursement of court or federal mandates imposed on or after November 6, 1979, be considered “proceeds of taxes” for purposes of this section.

(B) A district’s local revenues for purposes of subparagraph (A) are the amounts which offset state aid, as follows:

(i) For the 1980–81 to 2012–13 fiscal years, inclusive, as defined in Section 42238 of the Education Code.

(ii) For the 2013–14 fiscal year and each fiscal year thereafter, as defined in subdivision (j) of Section 42238.02 of the Education Code.

(d) Proceeds of taxes for a fiscal year shall not include any proceeds of taxes within the district’s beginning balance or reserve, unless those funds were not appropriated in a prior fiscal year. Funds that were appropriated to a reserve or other fund referenced in Section 5 of Article XIII B of the California Constitution shall be deemed to be appropriated for the purpose of this paragraph.

(e) The remainder of the state apportionments, including special purpose apportionments and categorical aid subventions apportionments shall not be considered proceeds of taxes for a school district, and shall be considered appropriations subject to the state’s limit.

(f) Each school district shall report to the Superintendent of Public Instruction and to the Director of Finance at least annually its appropriations limit, its appropriations subject to limitation, the amount of its state aid apportionments and subventions included within the proceeds of taxes of the school district, and amounts excluded from its appropriations limit, at a time and in a manner prescribed by the Superintendent of Public Instruction and approved by the Director of Finance.

(g) For the 1988–89 fiscal year and each fiscal year thereafter, nothing in paragraph (2) of subdivision (c) shall be so construed as to require that the amount determined pursuant to subdivision (b) be multiplied by the amount determined pursuant to subdivision (a) for purposes of determining the amount of state aid included in school district “proceeds of taxes” for purposes of this section.

SEC. 100. Section 7907 of the Government Code is amended to read:

7907. For county superintendents of schools:

(a) “Proceeds of taxes” (1) For the 1978–79 to 2012–13 fiscal years, inclusive, “proceeds of taxes” shall be deemed to include subventions received from the state only if those subventions are received for one or more of the following programs:

(1)

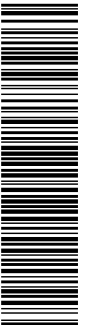
(A) Educational services provided directly to pupils, including, but not limited to, the services described in subdivision (c) of Section 1981 of, Sections 1904, 2550.2, 2551.3, 8152, 48633, 52570, and 58804 of, and Article 1 (commencing with Section 52300) of Chapter 9 of Part 28 of, the Education Code.

(2)

(B) Support services provided to school districts, including, but not limited to, the services described in subdivision (b) of Section 2550 of, and Sections 1510, 2509, 2551, 2554, and 2555 of, the Education Code.

(3)

(C) Direct services provided to school districts, as described in subdivision (a) of Section 2550 of the Education Code.



(2) For the 2013–14 fiscal year and each fiscal year thereafter, “proceeds of taxes” shall be deemed to include subventions received from the state only if those subventions are received for one or more of the following programs:

(A) The alternative education grant described in Section 2574 of the Education Code.

(B) The operations grant described in Section 2574 of the Education Code.

(C) The add-on amount described in subdivision (e) of Section 2574 of the Education Code and any amounts added either pursuant to calculations in Sections 2575 of the Education Code or added to the calculations in Section 2575 of the Education Code.

(b) For programs identified in subparagraph (A) of paragraph (1) of subdivision (a), an amount shall be calculated equal to the appropriations made for those programs from the proceeds of taxes for the 1978–79 fiscal year, adjusted for the 1979–80 and 1980–81 fiscal years by the lesser of the change in cost of living or change in California per capita personal income applicable to each year and by the percentage change in average daily attendance in those programs for the 1979–80 and 1980–81 fiscal years.

(c) For all other programs operated by the county superintendent of schools, including, but not limited to, the programs identified in paragraphs (2) and (3) subparagraphs (B) and (C) of paragraph (1) of subdivision (a), an amount shall be calculated equal to the appropriations made for those programs from the proceeds of taxes for the 1978–79 fiscal year, adjusted for the 1979–80 and 1980–81 fiscal years by the lesser of the change in cost of living or change in California per capita personal income for each year and by the percentage change in population, as defined by subdivision (d) of Section 7901, for all the districts in the county for the 1979–80 and 1980–81 fiscal years. The “percentage change in population” for the program identified in subparagraph (C) of paragraph (3) (1) of subdivision (a) shall be, for purposes of this subdivision, the percentage change in direct services average daily attendance as calculated pursuant to subdivision (a) of Section 2550 of the Education Code.

(d) The sum of the amounts calculated in subdivisions (b) and (c) shall be the appropriations limit for the county superintendent for the 1980–81 fiscal year.

(e) For the 1981–82 fiscal year and each fiscal year thereafter, the appropriations limit for the prior year shall be adjusted by the appropriate average daily attendance and the lesser of the change in cost of living or California per capita personal income.

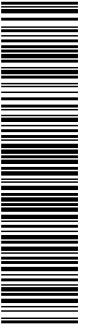
(f) For the 1981–82 fiscal year through the 1987–88 fiscal year, state apportionments to county superintendents in excess of the amounts in subdivision (d) or (e) shall not be considered proceeds of taxes for a county superintendent of schools.

(g) For the 1988–89 fiscal year and each fiscal year thereafter, the state apportionments to county superintendents that shall be considered “proceeds of taxes” for a county superintendent of schools shall be equal to the lesser of the following:

(1) The total amount of state apportionments received for that fiscal year, excluding amounts paid for reimbursement of state mandates in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 or for reimbursement of court or federal mandates imposed on or after November 6, 1979.

(2) The appropriations limit for the county superintendent for that fiscal year, less the sum of all of the following:

(A) Interest earned on the proceeds of taxes during the current fiscal year.



(B) The 50 percent of miscellaneous funds received during the current fiscal year that are from the proceeds of taxes.

(C) Locally voted taxes received during the current year, such as parcel taxes or square foot taxes, other than for voter-approved bonded debt.

(D) Any other local proceeds of taxes received during the current year, such as excess bond revenues transferred to a district's general fund pursuant to Section 15234 of the Education Code.

(E) Local proceeds of taxes received during the current fiscal year which offset state aid.

(3) Amounts paid for court or federal mandates shall be excluded from the appropriations limit.

SEC. 101. Section 17581.97 is added to the Government Code, to read:

17581.97. (a) (1) For the 2018–19 fiscal year, the sum of one billion six hundred fifty-one million three hundred fifty-seven thousand dollars (\$1,651,357,000) is hereby appropriated from the General Fund to the Superintendent of Public Instruction for allocation to school districts in the manner, and for the purposes, set forth in this section.

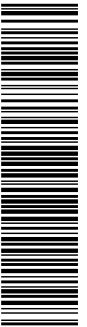
(2) For purposes of this section, a “school district” includes a county office of education and a charter school.

(b) The Superintendent of Public Instruction shall allocate the funds appropriated pursuant to paragraph (1) of subdivision (a) to school districts on the basis of an equal amount per unit of regular average daily attendance, as those average daily attendance numbers are reported at the time of the second principal apportionment for the 2017–18 fiscal year.

(c) (1) If a school district is required to repay claims disallowed under the School-Based Medi-Cal Administrative Activities or Local Educational Agency Medi-Cal Billing Option programs for the 2009–10 fiscal year to the 2015–16 fiscal year, inclusive, the Controller shall, upon notification from the Department of Finance, withhold the specified amounts owed by the applicable school district from the allocations made to those school districts pursuant subdivision (b).

(2) The Controller shall transfer the amounts withheld in paragraph (1) to the General Fund as reimbursement of the payments made by the state in the 2017–18 fiscal year and the 2018–19 fiscal year to the federal Centers for Medicare and Medicaid Services on behalf of those school districts.

(d) Allocations made pursuant subdivision (b), less any amount withheld pursuant to subdivision (c), shall first satisfy any outstanding claims pursuant to Section 6 of Article XIII B of the California Constitution for reimbursement of state-mandated local program costs for any fiscal year. Notwithstanding Section 12419.5 and any amounts that are paid in satisfaction of outstanding claims for reimbursement of state-mandated local program costs, the Controller may audit any claim as allowed by law, and may recover any amount owed by school districts pursuant to an audit only by reducing amounts owed by the state to school districts for any other mandate claims. Under no circumstances shall a school district be required to remit funding back to the state to pay for disallowed costs identified by a Controller audit of claimed reimbursable state-mandated local program costs. The Controller shall not recover any amount owed by a school district pursuant to an audit of claimed reimbursable state-mandated local program costs by reducing any amount owed a school district for any purpose other than amounts owed for any other mandate claims. The Controller shall apply amounts





received by each school district against any balances of unpaid claims for reimbursement of state-mandated local program costs and interest in chronological order beginning with the earliest claim. The Controller shall report to each school district the amounts of any claims and interest that are offset from funds provided pursuant to this section, and shall report a summary of the amounts offset for each mandate for each fiscal year to the Department of Finance and the fiscal committees of the Legislature.

(e) (1) The governing board of a school district may expend the one-time funds allocated pursuant to this section for any purpose.

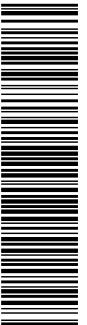
(2) It is the intent of the Legislature that school districts shall prioritize the use of these one-time funds for professional development, induction for beginning teachers with a focus on relevant mentoring, instructional materials, technology infrastructure, employee benefits, and any other investments necessary to support implementation of the common core academic content standards in English language arts and mathematics, the implementation of English language development standards, and the implementation of the Next Generation Science standards.

(f) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, one hundred sixty-nine million three hundred fifty-eight thousand dollars (\$169,358,000) of the appropriations made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2016–17 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2016–17 fiscal year.

(g) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, six hundred sixty-nine million seven hundred fifty-six thousand dollars (\$669,756,000) of the appropriations made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2017–18 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2017–18 fiscal year.

(h) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, eight hundred twelve million two hundred forty-three thousand dollars (\$812,243,000) of the appropriations made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2018–19 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2018–19 fiscal year.

SEC. 102. (a) For the 2018–19 fiscal year, the sum of fifty million dollars (\$50,000,000) is hereby appropriated from the General Fund to the Commission on Teacher Credentialing to establish the Teacher Residency Grant Program to provide one-time competitive grants to local educational agencies to develop new, or expand existing, teacher residency programs that recruit and support the preparation of special



education teachers. This funding shall be available for encumbrance until June 30, 2023.

(b) The commission shall make one-time grants to local educational agencies or consortia of local educational agencies to establish new or expand existing teacher residency programs. Grant recipients shall work with one or more commission-accredited teacher preparation programs and may work with other community partners or nonprofit organizations to develop and implement programs of preparation and mentoring for resident teachers who will be supported through program funds and subsequently employed by the sponsoring local educational agency.

(c) Grants allocated pursuant to subdivision (b) shall be up to twenty thousand dollars (\$20,000) per teacher candidate in the residency program of the jurisdiction of the local educational agency or consortium, matched by that local educational agency or consortium on a dollar-for-dollar basis. Grant program funding shall be used for, but is not limited to, any of the following: teacher preparation costs, stipends for mentor teachers, stipends for teacher candidates, and mentoring and beginning teacher induction costs following initial preparation.

(d) A grant recipient shall not use more than 5 percent of a grant award for program administration costs.

(e) A grant recipient shall provide a 100-percent match of grant funding in the form of one or both of the following:

(1) One dollar (\$1) for every one dollar (\$1) of grant funding received that is to be used in a manner consistent with allowable grant activities pursuant to subdivision (c).

(2) An in-kind match of mentor teacher personnel costs or other personnel costs related to the Teacher Residency Grant Program.

(f) For purposes of this section, the following terms have the following meanings:

(1) "Teacher residency program" is a local educational agency-based program that partners with one or more teacher preparation programs accredited by the commission and in which a prospective teacher teaches at least one-half time alongside a teacher of record, who is designated as the experienced mentor teacher, for at least one full school year while engaging in initial preparation coursework.

(2) An "experienced mentor teacher" for purposes of the Teacher Residency Grant Program is an educator who meets all of the following requirements:

(A) Has at least three years of teaching experience and a clear education specialist credential authorizing instruction of special education pupils.

(B) Has a record of successful teaching as demonstrated, at a minimum, by satisfactory annual performance evaluations for the preceding three years.

(C) Receives specific training for the mentor teacher role, and engages in ongoing professional learning and networking with other mentors.

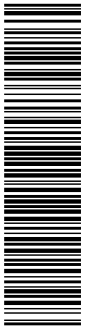
(D) Receives compensation, appropriate release time, or both, to serve as a mentor in the initial preparation or beginning teacher induction component of the teacher residency program.

(3) "Commission" means the Commission on Teacher Credentialing.

(g) Grant recipients shall do all of the following:

(1) Ensure that candidates are prepared to earn a preliminary teaching credential in special education upon completion of the program.

(2) Ensure that candidates are provided instruction in all of the following:



(A) Teaching the content area or areas in which the teacher will become certified to teach.

(B) Planning, curriculum development, and assessment.

(C) Learning and child development.

(D) Management of the classroom environment.

(E) Use of culturally responsive practices, supports for language development, and supports for serving pupils with disabilities.

(F) Professional responsibilities, including interaction with families and colleagues.

(3) Provide each candidate mentoring and beginning teacher induction support following the completion of the initial credential program necessary to obtain a clear credential and ongoing professional development and networking opportunities during his or her first years of teaching.

(4) Prepare candidates to teach in the same local educational agency in which they will work and learn the instructional initiatives and curriculum of the local educational agency.

(5) Group teacher candidates in cohorts to facilitate professional collaboration among residents, and place candidates in teaching schools or professional development programs that are organized to support a high-quality teacher learning experience in a supportive work environment.

(h) A grant applicant may consist of one or more, or any combination, of the following:

(1) School districts.

(2) County offices of education.

(3) Charter schools.

(4) Regional occupational centers or programs operated by a joint powers authority.

(i) To receive a grant, an applicant shall submit an application to the commission at a time, in a manner, and containing information prescribed by the commission.

(j) When selecting grant recipients, the commission shall do both of the following:

(1) Require applicants to demonstrate a need for special education teachers and to propose to establish a new, or expand an existing, teacher residency program that recruits, prepares, and supports teachers to teach special education in a school within the jurisdiction of the sponsoring local educational agency or consortium.

(2) Give priority consideration to grant applicants with one or more schools that exhibit one or more of the following characteristics:

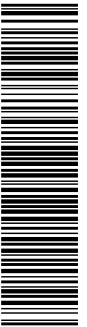
(A) A school where 50 percent or more of the enrolled pupils are eligible for free and reduced-price meals.

(B) A school where at least 5 percent of the teachers are misassigned, as determined by the commission, or working on a short-term staffing permit, a short-term intern permit, or a waiver.

(C) A school that is located in either a rural location or a densely populated region.

(D) A school with a cumulative voluntary teacher attrition rate that exceeded 20 percent over the three preceding school years.

(k) A candidate in a teacher residency program sponsored by a grant provided pursuant to subdivision (b) shall agree in writing to be placed as a teacher of record in



a special education classroom in a school within the local educational agency or consortium of local educational agencies that sponsored the candidate for a period of at least four school years beginning with the school year that begins after the candidate successfully completes the initial year of preparation and obtains a preliminary teaching credential. A candidate who fails to earn a preliminary credential or complete the period of the placement shall reimburse the sponsoring local educational agency or consortium the amount of grant funding invested in the candidate's residency training. The amount to be reimbursed shall be adjusted proportionately to reflect the service provided if the candidate taught at least one year, but less than four years, at the sponsoring local educational agency or consortium.

(l) If a candidate is unable to complete a school year of teaching, that school year may still be counted toward the required four complete and consecutive school years if any of the following occur:

(1) The candidate has completed at least one-half of the school year.

(2) The employer deems the candidate to have fulfilled his or her contractual requirements for the school year for the purposes of salary increases, probationary or permanent status, and retirement.

(3) The candidate was not able to teach due to the financial circumstances of the local educational agency, including a decision to not reelect the employee for the next succeeding school year.

(4) The candidate has a condition covered under the federal Family and Medical Leave Act of 1993 (29 U.S.C. Sec. 2061 et seq.) or similar state law.

(5) The candidate was called or ordered to active duty status for more than 30 days as a member of a reserve component of the Armed Forces of the United States.

(m) For purposes of administering the grant program pursuant to subdivision (b), the commission shall do all of the following:

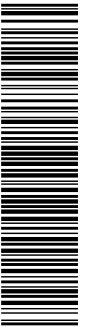
(1) Determine the number of grants to be awarded and the total amount awarded to each grant applicant.

(2) Require grant recipients to submit program and expenditure reports, as specified by the commission, as a condition of receiving grant funds.

(3) Annually review each grant recipient's program and expenditure reports to determine if any candidate has failed to meet his or her commitment pursuant to subdivision (k).

(n) If the commission determines or is informed that a sponsored candidate failed to earn a preliminary credential or meet his or her commitment to teach pursuant to subdivision (k), the commission shall confirm with the grant recipient the applicable grant amount to be recovered from the candidate and the grant recipient. The amount to be recovered shall be adjusted proportionately to reflect the service provided if the candidate taught at least one year, but less than four years, at the sponsoring local educational agency.

(o) Upon confirming the amount to be recovered from the grant recipient pursuant to subdivision (n), the commission shall notify the grant recipient of the amount to be repaid within 60 days. The grant recipient shall have 60 days from the date of the notification to make the required repayment to the commission. If the grant recipient fails to make the required payment within 60 days, the commission shall notify the Controller and the grant recipient of the failure to repay the amount owed. The Controller shall deduct an amount equal to the amount owed to the commission from



the grant recipient's next principal apportionment or apportionments of state funds, other than basic aid apportionments required by Section 6 of Article IX of the California Constitution. If the grant recipient is a regional occupational center or a program operated by a joint powers authority that does not receive principal apportionment or apportionments of state funds, or a consortia of local educational agencies, the commission shall notify the Controller of the local educational agency where the candidate taught and the Controller shall deduct the amount owed from the applicable local educational agency's next principal apportionment or apportionments of state funds, other than basic aid apportionments required by Section 6 of Article IX of the California Constitution.

(p) An amount recovered by the commission or deducted by the Controller pursuant to subdivision (o) shall be deposited into the Proposition 98 Reversion Account.

(q) Grant recipients may recover from a sponsored candidate who fails to earn a preliminary credential or complete the period of placement the amount of grant funding invested in the candidate's residency training. The amount to be recovered shall be adjusted proportionately to reflect the service provided if the candidate taught at least one year, but less than four years, at the sponsoring local educational agency or at a school within a consortium of local educational agencies.

(r) Grant recipients shall not charge a teacher resident a fee to participate in the Teacher Residency Grant Program.

(s) (1) The commission may allocate up to one million five hundred thousand dollars (\$1,500,000) of the amount appropriated pursuant to subdivision (a) to capacity grants that shall be awarded on a competitive basis to local educational agencies or consortia partnering with institutions of higher education to expand or create teacher residency programs that lead to more credentialed special education teachers.

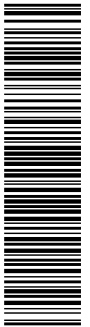
(2) (A) The commission shall determine the number of capacity grants to be awarded and the amount of the applicable grants.

(B) Individual capacity grants shall not exceed seventy-five thousand dollars (\$75,000) per grant recipient.

(t) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2017–18 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2017–18 fiscal year.

SEC. 103. (a) For the 2018–19 fiscal year, the sum of fifty million dollars (\$50,000,000) is hereby appropriated from the General Fund to the Commission on Teacher Credentialing to provide one-time competitive Local Solution Grants to local educational agencies to develop and implement new, or expand existing, locally identified solutions that address a local need for special education teachers. This funding shall be available for encumbrance through June 30, 2023, and available for liquidation through June 30, 2026.

(b) A grant shall be up to twenty thousand dollars (\$20,000) per teacher participant that the identified solution proposes to support, matched by that local educational agency or consortium on a dollar-for-dollar basis. Grant program funding



may be used for local efforts to recruit, develop, and retain special education teachers that include, but are not limited to, teacher career pathways, signing bonuses, service awards, student debt payment, living stipends, or other transformational solutions that address a local need for special education teachers.

(c) A grant recipient shall not use more than 5 percent of a grant award for program administration costs.

(d) A grant recipient shall provide a 100-percent match of grant funding to support, complement, or enhance the local solution identified in subdivision (h). The match shall be in the form of one or both of the following:

(1) One dollar (\$1) for every one dollar (\$1) of grant funding received.

(2) An in-kind match.

(e) An applicant may consist of one or more, or any combination, of the following:

(1) School districts.

(2) County offices of education.

(3) Charter schools.

(4) Regional occupational centers or programs operated by a joint powers authority.

(f) To receive a grant, an applicant shall submit to the Commission on Teacher Credentialing an application at a time, in a manner, and containing information prescribed by the commission.

(g) A grant recipient shall not use funds from a Local Solution Grant award to support teacher candidates participating in a program supported by an award from the Teacher Residency Grant Program established pursuant to Section 102 of this act.

(h) When selecting grant recipients, the Commission on Teacher Credentialing shall require applicants to demonstrate a local need for special education teachers and present a plan that proposes one or more solutions that address that local need.

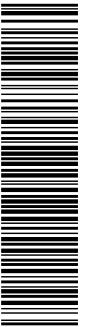
(i) For purposes of administering the grant program pursuant to this section, the Commission on Teacher Credentialing shall do all of the following:

(1) Determine the number of grants to be awarded and the total amount awarded to each grant applicant.

(2) Require grant recipients to annually report the status and progress of the identified solution and to submit a final implementation report within three years of receiving a grant award that describes the outcomes and effectiveness of the identified solution.

(3) Allocate 90 percent of funding to each grant recipient at the time of the initial grant award and allocate the final 10 percent of grant funding upon receipt of the final implementation report. If the grantee fails to provide the final implementation report pursuant to paragraph (2), the grantee shall not receive the final 10 percent of the grant award.

(j) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2017–18 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII



B,” as defined in subdivision (e) of Section 41202 of the Education Code, for the 2017–18 fiscal year.

SEC. 104. Upon receipt of a waiver from the United States Department of Education for the 2017–18 school year, the Piner-Olivet Union School District, Santa Rosa Elementary School District, and Santa Rosa High School District shall not be required to administer the 2017–18 California Assessment of Student Performance and Progress assessments pursuant to Section 60640 of the Education Code.

SEC. 105. (a) For the 2018–19 fiscal year, the sum of three hundred thousand dollars (\$300,000) is hereby appropriated from the General Fund to the Superintendent of Public Instruction to update the California School Dashboard interface.

(b) (1) For the purpose specified in subdivision (a), the State Department of Education, in collaboration with and subject to the approval of the executive director of the State Board of Education, shall enter into contracts with the San Joaquin County Office of Education.

(2) When performing these activities, the San Joaquin County Office of Education may enter into appropriate contracts for the provision of support and services, as necessary, and shall ensure alignment of the California School Dashboard interface with California’s accountability system, including, but not limited to, the School Accountability Report Card, accommodate state and local data availability, and reflect consistency with implementation of the local control funding formula.

(c) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subdivision (a) shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 of the Education Code, for the 2018–19 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202 of the Education Code, for the 2018–19 fiscal year.

SEC. 106. (a) The Legislature finds and declares both of the following:

(1) Without capacity in California’s public school system to conduct meaningful stakeholder engagement, especially as it relates to the local control and accountability plan development process, pupils, families, and communities may not be able to hold school districts accountable for decisions that affect pupil outcomes.

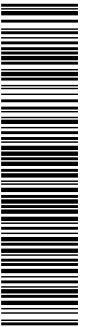
(2) The statewide system of support established pursuant to Section 52059.5 of the Education Code should include expertise and resources to help school districts improve in their ability to engage stakeholders meaningfully.

(b) The Community Engagement Initiative is hereby established for the purpose of all of the following:

(1) Building capacity in communities and school districts to have difficult conversations with each other and build trust, with a focus on improving outcomes for pupils.

(2) Identifying effective models of community engagement and metrics to evaluate those models.

(3) Developing effective peer-to-peer partnerships between school districts and county offices of education, utilizing the existing professional learning networks structure administered by the California Collaborative for Educational Excellence, to



deepen community engagement using lessons learned from the work identified in paragraph (1) and the models identified in paragraph (2).

(4) Scaling up the work identified in paragraphs (1), (2), and (3) to improve community engagement statewide and incorporate practices that prove effective towards school district and county office of education continuous improvement efforts.

(c) By November 1, 2018, the State Department of Education and the California Collaborative for Educational Excellence, with approval from the executive director of the State Board of Education, shall select an expert lead agency, consistent with Section 52073.1 of the Education Code, to coadminister the Community Engagement Initiative with the California Collaborative for Educational Excellence. The lead agency selected for this work shall demonstrate a willingness and capacity to do all of the following:

(1) Develop and disseminate expertise in community engagement.

(2) Work collaboratively with the California Collaborative for Educational Excellence and a diverse group of education stakeholders.

(3) Communicate regularly with the State Department of Education, the California Collaborative for Educational Excellence, and the lead agencies specified in Section 52073 of the Education Code through the formal process established pursuant to subparagraph (B) of paragraph (2) of subdivision (a) of Section 52073 of the Education Code.

(4) Document the outcomes of the activities authorized by this section through the duration of the Community Engagement Initiative and, in partnership with the California Collaborative for Educational Excellence and the Community Engagement Initiative participants, develop resources based on the experiences and conclusions of the Community Engagement Initiative participants from their specific contexts that are broadly applicable and actionable statewide.

(5) Play a leadership role in disseminating the information specified in paragraph (4) throughout the statewide system of support established pursuant to Section 52059.5 of the Education Code and serving as a resource to local educational agencies and community stakeholders in applying that information to their local context.

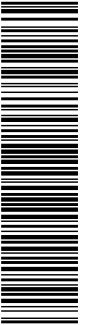
(d) By February 1, 2019, the California Collaborative for Educational Excellence and the lead agency selected pursuant to subdivision (c) shall solicit teams to participate in the Community Engagement Initiative. These teams shall each represent a different region of the state and shall include community members, schoolsite staff, school district staff, and county office of education staff affiliated with a common single school district. These teams shall be willing to do all of the following:

(1) Participate in and cofacilitate a professional learning network for no less than three years.

(2) Engage in an open dialogue on issues related to improving local pupil outcomes.

(3) Partner with other communities and school districts on improving community engagement.

(e) The California Collaborative for Educational Excellence and the lead agency selected pursuant to subdivision (c) shall select four to six teams from the applicants solicited pursuant to subdivision (d), and by June 1, 2019, shall convene the first meeting of a professional learning network with those teams.





(f) The goals of the professional learning network established pursuant to subdivision (e) shall be to do all of the following:

(1) Deepen the community engagement of the school districts and communities participating in the professional learning network.

(2) Define common characteristics and best practices of communities where engagement between communities, pupils, schools, and school districts is strong.

(3) Identify and test metrics for measuring increases in community engagement.

(4) Develop a protocol for facilitating future professional learning networks to help other communities and school districts improve and deepen their interactions.

(5) Develop criteria for selecting other teams that would benefit from and be successful in improving community engagement.

(6) Create capacity within each team to cofacilitate a future community engagement professional learning network.

(g) For the 2020–21 and 2021–22 fiscal years, the California Collaborative for Educational Excellence and the lead agency selected pursuant to subdivision (c) shall convene five community engagement professional learning networks. Each of these professional learning networks shall be similar in composition to those described in subdivision (d). These teams shall be willing to do all of the following:

(1) Participate in the professional learning network for no less than two years.

(2) Engage in open dialogue on issues related to improving local pupil outcomes.

(3) Partner with other communities and school districts on improving community engagement.

(h) Each of the professional learning networks created pursuant to subdivision (g) shall include as cofacilitators members of a team that participated in the initial community engagement professional learning network established pursuant to subdivision (e).

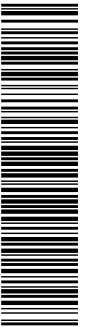
(i) Each of the professional learning networks established pursuant to subdivision (g) shall do both of the following:

(1) Deepen the community engagement of the school districts and communities participating in each professional learning network, including by engaging in the protocol developed pursuant to paragraph (4) of subdivision (f).

(2) Use the metrics developed pursuant to paragraph (3) of subdivision (f) to measure changes in community engagement in each of the participating communities and school districts.

(j) By January 1, 2021, and using funds provided for this purpose in the annual Budget Act, the California Collaborative for Educational Excellence shall develop and conduct a statewide training on community engagement based on the findings of the professional learning networks created pursuant to subdivisions (e) and (g). The California Collaborative for Educational Excellence shall periodically update this training, as needed, based on the findings of future community engagement professional learning networks. The California Collaborative for Educational Excellence is encouraged to feature this training in the future years using funds provided for this purpose in the annual Budget Act.

(k) For the 2022–23 and 2023–24 fiscal years, the California Collaborative for Educational Excellence and the lead agency selected pursuant to subdivision (c) shall convene additional community engagement professional learning networks with the remaining funds available for that purpose. Each of these professional learning networks



shall be similar in composition as those described in subdivision (d). These teams shall be willing to do all of the following:

- (1) Participate in the professional learning network for no less than two years.
- (2) Engage in open dialogue on issues related to improving local pupil outcomes.
- (3) Partner with other communities and school districts on improving community engagement.

(l) To the extent possible, each of the professional learning networks created pursuant to subdivision (k) shall include as cofacilitators members of a team that had previously participated in a community engagement professional learning network established pursuant to this section.

(m) Each of the professional learning networks established pursuant to subdivision (k) shall do both of the following:

(1) Deepen the community engagement of the school districts and communities participating in each professional learning network, including by engaging in the protocol developed pursuant to paragraph (4) of subdivision (f), updated as appropriate by the lead agency selected pursuant to subdivision (c) based on feedback from the professional learning networks authorized by subdivision (g).

(2) Use the metrics developed pursuant to paragraph (3) of subdivision (f), updated as appropriate by the lead agency selected pursuant to subdivision (c) based on feedback from the professional learning networks authorized by subdivision (g), to measure changes in community engagement in each of the participating communities and school districts.

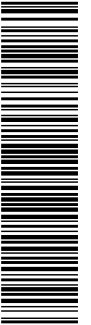
(n) By June 30, 2024, the California Collaborative for Educational Excellence and the lead agency selected pursuant to subdivision (c) shall submit a report to the executive director of the State Board of Education, the Superintendent of Public Instruction, the executive director of the California Collaborative of Educational Excellence, the superintendent of each of the lead agencies identified pursuant to Section 52073 of the Education Code, and the chairpersons of each of the education policy committees of the Legislature. The report shall include all of the following:

(1) A description of best practices for improving community engagement identified by the professional learning networks established under the Community Engagement Initiative, and any changes in the understanding of best practices throughout the duration of the program.

(2) Using the metrics identified pursuant to paragraph (3) of subdivision (f) and additional metrics developed by subsequent professional learning networks, an analysis of the impact of the work done by each team through the professional learning networks on their home communities and school districts.

(3) Feedback to improve the community engagement professional learning network protocol and metrics, and additional activities or resources that would assist in continued development of capacity within local educational agencies and local communities for conducting meaningful stakeholder engagement.

(o) The sum of thirteen million two hundred seventy-four thousand dollars (\$13,274,000) is hereby appropriated from the General Fund to the Superintendent of Public Instruction for allocation to the California Collaborative for Educational Excellence for the Community Engagement Initiative pursuant to this section. The administrative agent of the California Collaborative of Educational Excellence, pursuant to policy and program direction from the governing board of the California Collaborative



for Educational Excellence, shall develop the budget for the Community Engagement Initiative, subject to approval by the Department of Finance. Of the amount appropriated in this subdivision, six hundred sixty thousand dollars (\$660,000) shall be allocated to the administrative agent of the California Collaborative for Educational Excellence for costs associated with administering this program. All funds appropriated pursuant to this subdivision shall be available for encumbrance until June 30, 2024.

(p) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subdivision (o) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2016-17 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2016-17 fiscal year.

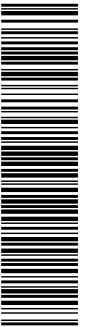
SEC. 107. (a) For the 2018-19 fiscal year, the sum of twenty-seven million three hundred seventy thousand dollars (\$27,370,000) is appropriated from the General Fund to the State Department of Education for the development of a computer-based English Language Proficiency Assessment for California and a computer-based alternative English Language Proficiency Assessment for California for pupils with disabilities, to be available for the 2018-19, 2019-20, 2020-21, and 2021-22 fiscal years. The assessments developed pursuant to this section shall be developed as part of the California Assessment of Student Performance and Progress system, established pursuant to Article 4 (commencing with Section 60640) of Chapter 5 of Part 33 of Division 4 of Title 2 of the Education Code.

(b) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2016-17 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2016-17 fiscal year.

SEC. 108. (a) For the 2018-19 fiscal year, the sum of seven hundred sixteen thousand dollars (\$716,000) is hereby appropriated from the Educational Telecommunication Fund established pursuant to Section 10554 of the Education Code to the Superintendent of Public Instruction for the purposes set forth in subdivision (b).

(b) The Superintendent of Public Instruction shall allocate the funds appropriated pursuant to subdivision (a) to a county office of education, as determined by the State Department of Education, for the Standardized Account Code Structure system replacement project.

SEC. 109. (a) The sum of fifteen million dollars (\$15,000,000) is hereby appropriated from the General Fund to the Superintendent of Public Instruction for transfer by the Controller to Section A of the State School Fund. The Superintendent of Public Instruction shall allocate these funds to the Orange County Department of Education in the manner, and for the purposes, set forth in this section.



(b) The Orange County Department of Education, jointly with Butte County Office of Education, shall contract with a California postsecondary educational institution selected in consultation with the executive director of the State Board of Education, to expand the state's Multi-Tiered System of Support framework to foster a positive school climate in both academic and behavioral areas, including, but not limited to, positive behavior interventions and support, restorative justice, bullying prevention, social and emotional learning, trauma-informed practice, and cultural competency. The postsecondary educational institution shall be selected no later than August 1, 2018.

(c) The designated county offices of education and the selected postsecondary educational institution shall develop new evidence-based resources and activities, as well as develop and identify existing evidence-based resources, professional development activities, and other efforts currently available at the state, federal, and local levels, designed to help local educational agencies across the state to create a positive school climate. The designated county offices of education shall encumber or expend the funds allocated pursuant to subdivision (a) by June 30, 2023.

(d) (1) Beginning in the 2018–19 fiscal year, the designated county offices of education and the selected postsecondary educational institution shall implement a pilot program to assist local educational agencies in creating a positive school climate. On or before December 1, 2018, the designated county offices of education and the selected postsecondary educational institution shall submit a plan for implementing the pilot program to the relevant policy and fiscal committees of the Legislature, the Director of Finance, and the Legislative Analyst's Office. At a minimum, the plan shall describe all of the following:

(A) The goals of the pilot program, including, but not limited to, fostering positive school climate, pupil-teacher relationships, pupil engagement, and discipline.

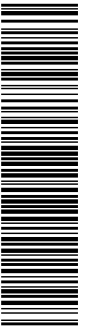
(B) The major implementation activities of the pilot program and the means for assessing whether the goals are met.

(C) An implementation timeline and a program budget, with anticipated expenditures and funding sources.

(D) The approach for aligning the major implementation activities of the pilot program with the statewide system of support authorized pursuant to Section 52059.5 of the Education Code, including the strategy for ensuring communication with county offices of education providing technical assistance pursuant to subdivision (c) of Section 52071 of the Education Code to any participating school district.

(2) The designated county offices of education and the selected postsecondary educational institution, with approval from the executive director of the State Board of Education, shall identify school districts for participation in the pilot program that are in need of specialized training to improve school climate. In selecting school districts, priority shall be given to those school districts with a demonstrated need to improve school climate, as measured through the state and local indicators included on the California School Dashboard. Participation by a school district in the pilot program is voluntary. Participants of the pilot program shall work with the designated county offices of education and the selected postsecondary educational institution to do all of the following:

(A) Explore evidence-based restorative models within California and across the country related to restorative educational approaches, developing the social and



emotional literacy of educators and instructional strategies around pupil engagement to support deeper learning.

(B) Identify resources and curriculum that will enhance educators' cultural understanding of pupils and families, including issues of race, language, culture, and the role of implicit bias.

(C) Identify and promote common skills and competencies around relationship building and social and emotional learning for all education stakeholders.

(D) Develop and execute a local strategy for supporting classroom, department, and school training within the school district on the implementation of restorative practices and strategies. Plans shall be revised as needed, as part of the continuous improvement process.

(e) In developing and identifying resources and activities pursuant to subdivision (c), the work of the designated county offices of education and the selected postsecondary educational institution shall be informed by the pilot program created pursuant to subdivision (d). The designated county offices of education and the selected postsecondary educational institution shall employ strategies to maximize the availability, efficacy, and usage of resources and activities identified or developed and to build the capacity of all entities charged with providing assistance within the statewide system of support authorized pursuant to Section 52059.5 of the Education Code, to do, among other things, all of the following:

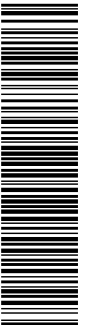
- (1) Collect and disseminate evidence-based best practices.
- (2) Develop train-the-trainer models and online training modules.
- (3) Offer regional conferences and workshops.
- (4) Provide technical assistance to local educational agencies.
- (5) Develop a network of educators who can provide coaching and training to other local educational agencies.
- (6) Provide stipends for school personnel to attend training sessions.
- (7) Develop evaluation tools to measure the effectiveness of evidence-based strategies.

(8) Provide competitive startup grants to help local educational agencies implement the practices described in subdivision (c).

(9) Provide demonstration grants to local educational agencies for the purpose of identifying, evaluating, learning about, or testing the feasibility of effective approaches, for the purposes of informing the other activities and resources developed pursuant to this subdivision.

(f) A local educational agency that receives a grant from the designated county offices of education, as described in paragraphs (8) and (9) of subdivision (e), shall, as a condition of receiving the grant, provide to the designated county offices of education any available outcome data resulting from the new practices implemented. The outcome data may include, but is not limited to, changes in rates of suspension or expulsion, discipline referrals, referrals to special education, pupil attendance, incidents of bullying or harassment, graduation rates, dropout rates, and measures of pupil academic achievement.

(g) By September 30 of each fiscal year until the designated county offices of education have fully expended the funds allocated pursuant to subdivision (a), the designated county offices of education shall submit an annual report to the Superintendent of Public Instruction summarizing how the designated county offices



of education used the funds in the prior fiscal year. The Superintendent of Public Instruction shall provide copies of these reports to the appropriate fiscal and policy committees of the Legislature, the Department of Finance, the State Board of Education, and the Legislative Analyst's Office. Each annual report shall include all of the following:

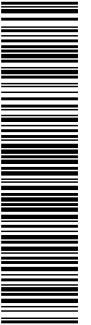
- (1) A summary of the activities conducted and resources developed.
- (2) The number of local educational agencies, educators, and pupils served by the activities and resources.
- (3) A description of effective evidence-based strategies identified for implementing the practices described in subdivision (c).
- (4) A summary of any data that is available on outcomes resulting from the activities conducted, including any data reported by local educational agencies pursuant to subdivision (f).
- (5) Recommendations for improving state-level activities or policies.
- (h) The designated county offices of education may use up to seven hundred fifty thousand dollars (\$750,000) in total to administer the grants and provide support to the grantees pursuant to Department of Finance approval of an expenditure plan and no sooner than 30 days after notification in writing is provided to the Joint Legislative Budget Committee.
- (i) For purposes of this section, the following terms shall have the following meanings:
  - (1) "Designated county offices of education" means the Orange County Department of Education and the Butte County Office of Education.
  - (2) "Local educational agency" means a school district or county office of education.

SEC. 110. (a) Consistent with the intent expressed in subdivision (c) of Section 76 of Chapter 15 of the Statutes of 2017, the sum of three million dollars (\$3,000,000) is hereby appropriated from the General Fund to the Superintendent of Public Instruction for allocation to the Southern California Regional Occupational Center for instructional and operating costs in the 2018–19 fiscal year. It is the intent of the Legislature that this allocation assist the Southern California Regional Occupational Center to transition to a fully fee-supported funding model as the local control funding formula reaches full implementation.

(b) As a condition of receiving funding appropriated pursuant to subdivision (a), the Southern California Regional Occupational Center shall submit an updated operational plan to the Department of Finance and the Legislative Analyst on or before September 1, 2018.

(c) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the amount appropriated in subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2018–19 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2018–19 fiscal year.

SEC. 111. (a) Notwithstanding paragraph (2) of subdivision (d) of Section 42238.02 of the Education Code, the statutory cost-of-living adjustment for the 2018–19



fiscal year provided by the Superintendent of Public Instruction shall be 3 percent only for the purposes of calculating the local control funding formula targets for school districts and charter schools pursuant to Section 42238.02 of the Education Code.

(b) The remaining statewide local control funding formula need in the 2018–19 fiscal year, as determined by the Superintendent of Public Instruction by the calculation pursuant to paragraph (1) of subdivision (b) of Section 42238.03 of the Education Code, is hereby appropriated from the General Fund to the Superintendent of Public Instruction and shall be allocated pursuant to the calculation in subdivision (b) of Section 42238.03 of the Education Code.

(c) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (b) shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 of the Education Code.

SEC. 112. (a) On or before June 30, 2019, an amount to be determined by the Director of Finance shall be appropriated from the General Fund to the Superintendent of Public Instruction in augmentation of Schedule (1) of Item 6100-161-0001 of Section 2.00 of the Budget Act of 2018.

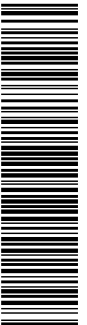
(b) The funds appropriated in subdivision (a) shall only be available to the extent that revenues distributed to local educational agencies for special education programs pursuant to Sections 34177, 34179.5, 34179.6, and 34188 of the Health and Safety Code are less than the estimated amount reflected in the Budget Act of 2018, as determined by the Director of Finance.

(c) On or before June 30, 2019, the Director of Finance shall determine if the revenues distributed to local educational agencies for special education programs pursuant to Sections 34177, 34179.5, 34179.6, and 34188 of the Health and Safety Code exceed the estimated amount reflected in the Budget Act of 2018 and shall reduce Schedule (1) of Item 6100-161-0001 of Section 2.00 of the Budget Act of 2018 by the amount of that excess.

(d) In making the determinations pursuant to subdivisions (b) and (c), the Director of Finance shall consider any other local property tax revenues collected in excess or in deficit of the estimated amounts reflected in the Budget Act of 2018.

(e) The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee, or his or her designee, of his or her intent to notify the Controller of the necessity to release funds appropriated in subdivision (a) or to make the reduction pursuant to subdivision (c), and the amount needed to address the property tax shortfall determined pursuant to subdivision (b) or the amount of the reduction made pursuant to subdivision (c). The Controller shall make the funds available pursuant to subdivision (a) not sooner than five days after this notification and the State Department of Education shall work with the Controller to allocate these funds to local educational agencies as soon as practicable.

(f) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (a) shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 of the Education Code, for the 2018–19 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII



B,” as defined in subdivision (e) of Section 41202 of the Education Code, for the 2018–19 fiscal year.

SEC. 113. (a) On or before January 30, 2019, an amount to be determined by the Director of Finance shall be appropriated from the General Fund to the Superintendent of Public Instruction in augmentation of Schedule (1) of Item 6100-161-0001 of Section 2.00 of the Budget Act of 2017.

(b) The funds appropriated in subdivision (a) shall be available to backfill special education programs for fire-related property tax reductions to local educational agencies in areas impacted by the wildfires that began in northern California in October 2017 and in southern California in December 2017.

(c) Each county shall submit to the Department of Finance a countywide claim detailing the losses incurred by the local educational agencies located in the county. The Department of Finance shall review the claims for accuracy and, upon determining the claims are accurate and complete, shall determine the special education program portion of the property tax reduction and notify the Controller, who shall provide reimbursement in the amount specified by Department of Finance. The State Department of Education shall work with the Controller to allocate these funds to local educational agencies as soon as practicable.

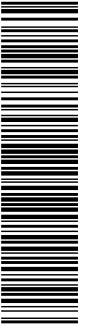
(d) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (a) shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 of the Education Code, for the 2017–18 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202 of the Education Code, for the 2017–18 fiscal year.

SEC. 114. (a) On or before January 30, 2019, an amount to be determined by the Director of Finance shall be appropriated from the General Fund to the Superintendent of Public Instruction to reimburse basic aid school districts for property tax losses, identified pursuant to subdivision (c), incurred in the 2017–18 fiscal year as a result of the 2017 wildfires.

(b) On or before January 30, 2020, an amount to be determined by the Director of Finance shall be appropriated from the General Fund to the Superintendent of Public Instruction to reimburse basic aid school districts for property tax losses, identified pursuant to subdivision (c), incurred in the 2018–19 fiscal year as a result of the 2017 wildfires.

(c) Each county shall submit to the Department of Finance a countywide claim detailing the losses incurred by the basic aid school districts located in the county. The Department of Finance shall review the claims for accuracy and, upon determining the claims are accurate and complete, shall notify the Controller, who shall provide reimbursement in the amount specified by the Department of Finance. The State Department of Education shall work with the Controller to allocate these funds to the basic aid school districts as soon as practicable.

(d) For purposes of this section, “basic aid school district” means a school district that does not receive an apportionment of state funds as described in subdivision (o) of Section 42238.02 for the fiscal years in which this section applies.





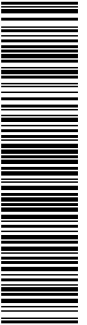
(e) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made in subdivision (a) shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 of the Education Code, for the 2017–18 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202 of the Education Code, for the 2017–18 fiscal year.

(f) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made in subdivision (b) shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 of the Education Code, for the 2018–19 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202 of the Education Code, for the 2018–19 fiscal year.

SEC. 115. With respect to Section 104 of this act, the Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances facing the Piner-Olivet Union School District, Santa Rosa Elementary School District, and Santa Rosa High School District as a result of the 2017 wildfires in Sonoma County.

SEC. 116. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 117. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.



LEGISLATIVE COUNSEL'S DIGEST

Bill No. \_\_\_\_\_  
as introduced, \_\_\_\_\_.  
General Subject: Education finance: education omnibus trailer bill.

(1) Proposition 30, known as The Schools and Local Public Safety Protection Act of 2012, was approved by the voters at the November 6, 2012, statewide general election and, among other things, temporarily increases personal income tax and sales and use tax rates and provides revenue for public elementary and secondary schools and community colleges. Proposition 55, known as The California Children's Education and Health Care Protection Act of 2016, was approved by the voters at the November 8, 2016, statewide general election, and, among other things, extends the increases to personal income tax rates and continues to provide revenue for elementary and secondary schools and community colleges through the 2030–31 fiscal year.

This bill would make conforming changes to certain provisions of existing law to reflect the extension of those provisions by Proposition 55.

(2) Existing law establishes a public school financing system that requires state funding for county superintendents of schools, school districts, and charter schools to be calculated pursuant to a local control funding formula, as specified. Existing law requires, for the 2013–14 fiscal year and for each fiscal year thereafter, the Superintendent of Public Instruction to annually calculate a county local control funding formula for each county superintendent of schools, as provided.

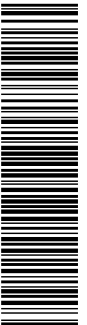
Existing law requires the Superintendent to make certain computations for purposes of computing the amount of funding for necessary small high schools, as defined. Existing law requires the Superintendent to add a specified amount to the county local control funding formula for purposes of necessary small high schools.

Existing law also requires, commencing with the 2013–14 fiscal year and for each fiscal year thereafter, the Superintendent to calculate a base entitlement for the transition to the county local control funding formula for each county superintendent of schools, as provided. Existing law requires the amount of the base entitlement to be increased by a specified adjustment.

This bill would delete the provision requiring the Superintendent to add the specified amount to the county local control funding formula for purposes of necessary small high schools, and would delete the provision requiring the amount of the base entitlement for the transition to the county local control funding formula for each county superintendent of schools to be increased by the specified adjustment.

The bill, commencing with the 2018–19 fiscal year, would require the Superintendent to add a specified amount to the annual apportionment to each county superintendent of schools as part of the county local control funding formula, as provided.

(3) The Child Care and Development Services Act, administered by the State Department of Education, provides that children from infancy to 13 years of age are eligible for federal and state subsidized child development services if their families



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meet at least one requirement in each of certain areas. The act requires the department to contract with local contracting agencies to provide for alternative payment programs, and authorizes alternative payment programs for services provided in licensed centers and family day care homes and for other types of programs that conform to applicable law. The act requires an alternative payment program, with certain exceptions, to have no less than 36 months to expend funds allocated to that program in any fiscal year, and requires the Superintendent of Public Instruction to develop a process that provides alternative payment programs no less than 36 months to expend funds allocated to that program in any fiscal year.

This bill would instead require those alternative payment programs to have no less than 12 months, and no more than 24 months, to expend funds allocated to that program in any fiscal year, and would require the Superintendent to develop a process that provides alternative payment programs no less than 12 months, and no more than 24 months, to expend funds allocated to that program in any fiscal year.

(4) The Child Care and Development Services Act requires the Superintendent of Public Instruction to implement a plan that establishes reasonable standards and assigned reimbursement rates for child care services, as provided. Existing law makes, commencing July 1, 2017, the standard reimbursement rate \$11,360 and makes the full-day state preschool reimbursement rate \$11,432.50, and requires these reimbursement rates to be increased by a specified cost-of-living adjustment commencing with the 2018–19 fiscal year.

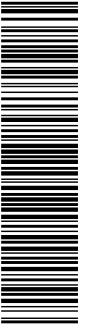
This bill would, commencing July 1, 2018, make the standard reimbursement rate \$11,995 and would make the full-day state preschool reimbursement rate \$12,070. The bill would instead require these reimbursement rates to be increased by that cost-of-living adjustment commencing with the 2019–20 fiscal year.

(5) Existing law requires the cost of child care services provided to recipients of the California Work Opportunity and Responsibility to Kids (CalWORKs) program under specified law to be governed by regional market rates. Existing law requires, commencing January 1, 2018, and until December 31, 2018, the regional market rate ceilings to be established at the 75th percentile of the 2016 regional market rate survey for that region or at the regional market rate ceiling that existed in that region on December 31, 2017, whichever is greater.

This bill would instead require the regional market rate ceilings to be established indefinitely at the 75th percentile of the 2016 regional market rate survey for that region or at the regional market rate ceiling that existed in that region on December 31, 2017, whichever is greater.

(6) Existing law establishes the After School Education and Safety Program (ASES), under which participating schools are awarded grants to operate before and after school programs during schooldays and summer, intersession, or vacation days in accordance with specified requirements. Existing law provides that a school that establishes specified programs pursuant to ASES is eligible to receive a summer grant, as specified, and establishes a maximum annual award amount pursuant to those provisions.

This bill would make the maximum annual award amount of the summer grant authorized pursuant to those provisions 30% of the total grant amount awarded, per school year, to the school.



(7) The Child Care and Development Services Act, administered by the State Department of Education, requires the Superintendent of Public Instruction to administer child care and development programs that offer a full range of services to eligible children from infancy to 13 years of age.

This bill would establish the Inclusive Early Education Expansion Program. The bill would appropriate \$167,242,000 from the General Fund to the Superintendent for allocation to local educational agencies for the purpose of increasing access to inclusive early care and education programs. The bill would require the department to award grants on a competitive basis, and would require the department's Special Education Division and Early Education and Support Division to work collaboratively to administer the program. The bill would require a grant to be used for one-time infrastructure costs only. The bill would require an applicant to include specified information in its application, including the identification of local resources to contribute 33% of the total award amount.

(8) Existing law requires the Controller to draw warrants on the State Treasury in favor of the county treasurer of each county at specified times in each fiscal year, as prescribed, so as to provide in each warrant a portion of the total amount certified by the Superintendent of Public Instruction as apportioned under specified provisions from the State School Fund to the school districts under the jurisdiction of the county superintendent of schools of that county, to the county school service fund, and to the county school tuition fund of that county.

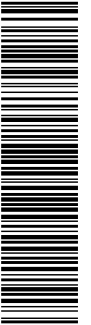
This bill would also require the Controller to draw warrants on the State Treasury in favor of the county treasurer of each county at specified times in each fiscal year, as prescribed, so as to provide in each warrant a portion of the total amount certified by the Superintendent as apportioned under additional specified provisions, including the local control funding formula, from the State School Fund to the school districts and charter schools under the jurisdiction of the county superintendent of schools of that county, to the county school service fund of that county, and to the county school tuition fund of that county.

(9) Existing law establishes the Charter Schools Facilities Program to provide funding to qualifying entities for the purpose of establishing school facilities for charter school pupils. Existing law places various duties on the California School Finance Authority for purposes of administering the program.

Existing law, the Kindergarten Through Community College Public Education Facilities Bond Act of 2016, was approved by the voters at the November 8, 2016, statewide general election as Proposition 51, an initiative statute. The act authorized the issuance of \$9,000,000,000 in general obligation bonds for new construction and the modernization of public elementary and secondary school facilities, including \$500,000,000 for providing school facilities to charter schools, and for community college facilities, as provided.

This bill would authorize the authority to charge its administrative costs against the bond proceeds for providing school facilities to charter schools, which shall be subject to the approval of the Department of Finance and which may not exceed 2.5% of the account or amount.

(10) Existing law requires, commencing April 1, 2017, a local educational agency that receives any of specified funds relating to school facilities projects to annually report a detailed list of all expenditures of state funds, including interest, and of the



local educational agency's matching funds for completed projects until all state funds, including interest, all of the local educational agency's matching funds, and savings achieved, including interest, are expended in accordance with specified requirements.

This bill would require that audit to be completed within one year of project completion.

(11) Existing law requires, for the 1990–91 fiscal year and each fiscal year thereafter, that moneys to be applied by the state for the support of school districts, community college districts, and direct elementary and secondary level instructional services provided by the state be distributed in accordance with certain calculations governing the proration of those moneys among the 3 segments of public education. Existing law makes that provision inapplicable to the 1992–93 to 2017–18 fiscal years, inclusive.

This bill would also make that provision inapplicable to the 2018–19 fiscal year.

(12) Existing law establishes a public school financing system that requires state funding for school districts, county superintendents of schools, and charter schools to be calculated pursuant to a local control funding formula, as specified. Existing law requires funding pursuant to the local control funding formula to include, in addition to a base grant, supplemental and concentration grant add-ons that are based on the percentage of pupils who are English learners, foster youth, or eligible for free or reduced-price meals, as specified, served by the school district, county superintendent of schools, or charter school.

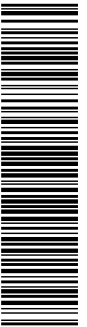
This bill would require the Superintendent of Public Instruction, within 3 business days of the first principal, 2nd principal, and annual apportionments for each fiscal year, to publish on the State Department of Education's Internet Web site the amount of a county office of education's, school district's, or charter school's funding derived from its local control funding formula allocation that is attributable to the supplemental and concentration grants.

(13) Existing law establishes the Education Audit Appeals Panel and requires the panel to hear specified audit appeals. Existing law requires the Controller to be a party to all appeals, and authorizes the State Department of Education and the Department of Finance to timely intervene as a party in any appeal.

This bill would instead require the Department of Finance to also be a party to all appeals.

(14) Existing law establishes a public school financing system that requires state funding for school districts, county superintendents of schools, and charter schools to be calculated pursuant to a local control funding formula, as specified. Existing law requires, commencing with the 2013–14 fiscal year and each fiscal year thereafter, the Superintendent of Public Instruction to calculate a base entitlement for the transition to the local control funding formula for each school district and charter school, as provided. Existing law requires various calculations and adjustments for the transition to the local control funding formula until the Superintendent determines that a school district or charter school is funded pursuant to the local control funding formula in the prior fiscal year.

This bill would instead require those calculations and adjustments for the transition to the local control funding formula until the Superintendent determines that a school district or charter school is funded pursuant to the local control funding formula.



(15) Existing law requires a school district to show in each budget a complete plan and itemized statement of all proposed expenditures of the school district and of all estimated revenues for the ensuing fiscal year, together with a comparison of revenues and expenditures for the existing fiscal year.

This bill would also require a school district, effective July 1, 2019, to include in each budget a summary document to be known as the local control funding formula budget overview for parents. The bill would require the local control funding formula budget overview for parents to include specified information relating to the school district's budget. The bill would require the Superintendent of Public Instruction, subject to approval by the executive director of the State Board of Education, to develop a template for the local control funding formula budget overview for parents on or before January 30, 2019. Because the bill would increase the duties on school districts, the bill would impose a state-mandated local program.

(16) Existing law requires the Superintendent of Public Instruction to make certain computations for purposes of computing the amount of funding for necessary small high schools. Existing law provides that a necessary small high school is a high school with an average daily attendance of less than 287 pupils that comes within any of certain conditions, including that the projection of its future enrollment on the basis of the enrollment of the elementary schools in the school district shows that within 8 years the enrollment in high school in grades 9 to 12, inclusive, will exceed 286 pupils, and that the Superintendent has approved the recommendation of a county committee on school district organization designating one of 2 or more schools as necessary isolated schools in a situation where the schools are operated by 2 or more school districts and the average daily attendance of each of the schools is less than 287 pupils in grades 9 to 12, inclusive.

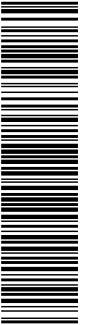
Existing law provides, until July 1, 2017, that a necessary small high school also includes a high school maintained by a county office of education for the exclusive purpose of educating foster youth under specified conditions, and a high school maintained by a unified school district as the only comprehensive high school if the high school has an average daily attendance of less than 287 pupils and the school district has 50 or fewer pupils per square mile of school district territory, as specified.

This bill would delete the 2 above-mentioned conditions. The bill would also repeal the provision that includes as a necessary small high school a high school maintained by a county office of education for the exclusive purpose of educating foster youth, as provided. The bill would provide that a high school maintained by a unified school district as the only comprehensive high school under those same conditions will continue to be a necessary small high school indefinitely.

(17) Existing law requires the average daily attendance for the fiscal year of pupils residing in a county of this state and attending a school in an adjoining state to be computed pursuant to a specified formula.

This bill would instead require that average daily attendance to be reported using the methodology for reporting 2nd principal apportionment attendance, as provided.

(18) Existing law requires the California School Finance Authority to administer the Charter School Facility Grant Program, and provides that the grant program is intended to provide assistance with facilities rent and lease costs for pupils in charter schools. Existing law requires an initial apportionment to a charter school for eligible expenditures by August 31 of each fiscal year or 30 days after enactment of the annual



Budget Act, whichever is later, provided the charter school has submitted a timely application for funding, as determined by the authority.

This bill would instead require the initial apportionment to a charter school for eligible expenditures by October 31 of each fiscal year provided the charter school has submitted a timely application for funding, as determined by the authority.

The bill would also require the authority to verify costs associated with facility rents or leases, as evidenced by an executed rental or lease agreement, and would require the verified facility agreement to be subject to either of 2 specified conditions.

Existing law requires the authority to first use the funding appropriated for this grant program to reimburse eligible charter schools for unreimbursed rent or lease costs for the prior school year.

This bill would remove that requirement and instead require funds appropriated for this grant program to first be used for costs associated with facilities rents and leases.

(19) Existing law prohibits a pupil from being suspended from school or recommended for expulsion unless the superintendent of the school district or the principal of the school in which the pupil is enrolled determines that the pupil has committed a specified act, including, among other acts, disrupting school activities or otherwise willfully defying the valid authority of supervisors, teachers, administrators, school officials, or other school personnel engaged in the performance of their duties.

Existing law prohibits the suspension of a pupil enrolled in kindergarten or any of grades 1 to 3, inclusive, and recommending the expulsion of a pupil enrolled in kindergarten or any of grades 1 to 12, inclusive, for disrupting school activities or otherwise willfully defying the valid authority of those school personnel engaged in the performance of their duties. Existing law makes these prohibitions inoperative on July 1, 2018.

This bill would delete the provision making those prohibitions inoperative on July 1, 2018.

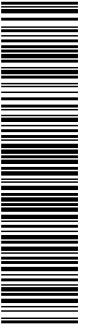
(20) Existing law sets the reimbursement a school receives for free and reduced-price meals sold or served to pupils in elementary, middle, or high schools at \$0.2306 per meal, and for meals served in child care centers and homes at \$0.1717 per meal.

This bill would repeal that provision.

(21) Existing law requires the Superintendent of Public Instruction, with the approval of the State Board of Education, to develop an Academic Performance Index (API), consisting of specified indicators, to measure the performance of schools and pupils.

Existing law requires, on or before July 1, 2014, each governing board of a school district and county board of education to adopt a local control and accountability plan using a state template adopted by the state board. Existing law requires, on or before October 1, 2016, the state board to adopt evaluation rubrics for specified purposes. Pursuant to this requirement, the state board adopted evaluation rubrics in September of 2016 and created the California School Dashboard, which is a graphically presented, publicly accessible interface that displays school performance data based on the evaluation rubrics.

This bill would repeal the provision requiring the Superintendent to develop an API. The bill would instead require the single multiple measures public school



accountability system authorized by the provisions requiring the state board to adopt evaluation rubrics to measure the overall performance of numerically significant pupil subgroups in schools, including charter schools, school districts, and county offices of education, as provided.

The bill would also repeal other obsolete provisions relating to the API.

(22) Existing law requires the State Department of Education to establish a statewide system of school support to provide a statewide system of intensive and sustained support and technical assistance for school districts, county offices of education, and schools in need of improvement, as provided.

This bill would repeal that provision and instead establish a single system for providing support to local educational agencies and schools, as provided, and to be known as the statewide system of support.

(23) Existing law requires every school district to submit to the Superintendent of Public Instruction a local plan for the education of all individuals with exceptional needs either on its own, in conjunction with one or more school districts, or with the county office of education, as specified. Existing law requires the service area covered by the local plan to be known as the special education local plan area.

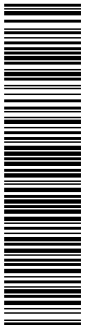
Existing law requires, on or before July 1, 2014, governing boards of school districts and county boards of education to adopt a local control and accountability plan using a state template adopted by the State Board of Education. Existing law requires, before the governing board of a school district or a county board of education considers the adoption of a local control and accountability plan or an annual update to the local control and accountability plan, the governing board of the school district or the county board of education to take specified actions.

This bill would additionally require, before the governing board of a school district or a county board of education considers the adoption of a local control and accountability plan or an annual update to the local control and accountability plan, the superintendent of the school district or the county superintendent of schools to consult with its special education local plan area administrator or administrators to determine that specific actions for individuals with exceptional needs are included in the local control and accountability plan or annual update to the local control and accountability plan, and are consistent with strategies included in the annual assurances support plan for the education of individuals with exceptional needs. Because the bill would impose additional duties on local educational agency officials, the bill would impose a state-mandated local program.

(24) Existing law requires, on or before March 31, 2014, the State Board of Education to adopt templates for use by school districts and county superintendents of schools for purposes of the local control and accountability plans. Existing law authorizes the state board to adopt the template in accordance with specified requirements relating to meetings, and makes that provision inoperative on December 31, 2018.

This bill would instead make that provision inoperative on January 31, 2019.

(25) Existing law requires a local control and accountability plan to include a description of the annual goals to be achieved for each of certain state priorities. Existing law requires the State Board of Education, on or before October 1, 2016, to adopt evaluation rubrics to, among other things, assist a school district, county office of





education, or charter school in evaluating its strengths, weaknesses, and areas that require improvement.

This bill would require, as part of the evaluation rubrics, the state board to adopt state and local indicators to measure school district and individual schoolsite performance in regard to each of the state priorities. The bill would authorize the state board to adopt alternate methods for calculating the state and local indicators for alternative schools, as described. The bill would require the State Department of Education, in collaboration with, and subject to the approval of, the executive director of the state board, to develop and maintain the California School Dashboard, a Web-based system for publicly reporting performance data on the state and local indicators. The bill would also require, as part of the evaluation rubrics, the state board to adopt performance criteria for local educational agency assistance and intervention.

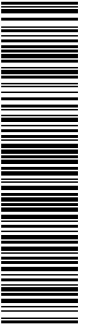
(26) Existing law requires, beginning with the 2018–19 fiscal year and in each fiscal year thereafter, a county superintendent of schools to prepare a summary of how it plans to support school districts and schools within the county in implementing local control and accountability plans and requires it to present the summary to the county board of education.

This bill would require the summary to also include a description of how the county superintendent of schools will support the continuous improvement of all school districts within the county and a description of how he or she will assist each school district identified for technical assistance. The bill would require, commencing with the 2019–20 fiscal year and in each fiscal year thereafter, the county superintendent of schools to submit the summary with its local control and accountability plan. The bill would also require the State Department of Education, on or before November 1 of each year, to compile the information provided by county superintendents of schools into a single document and make it available to the public on the department's Internet Web site. To the extent the bill would impose additional duties on county superintendents of schools, the bill would impose a state-mandated local program.

(27) Existing law requires, if a county superintendent of schools does not approve a local control and accountability plan or annual update to the local control and accountability plan approved by a governing board of a school district, or if the governing board of a school district requests technical assistance, the county superintendent of schools to provide technical assistance, as provided. Existing law requires technical assistance provided at the request of a school district to be paid for by the school district.

This bill would repeal those provisions and instead require the county superintendent of schools, if the governing board of a school district requests technical assistance, or if a county superintendent of schools does not approve a local control and accountability plan or annual update to the local control and accountability plan approved by the governing board of a school district, to provide technical assistance, as provided. The bill would authorize the county superintendent of schools to assess the school district a fee, not to exceed the cost of the service, under certain circumstances. To the extent this bill would impose additional duties on county superintendents of schools and school districts, the bill would impose a state-mandated local program.

(28) Existing law requires, if the Superintendent of Public Instruction does not approve a local control and accountability plan or annual update to the local control



and accountability plan approved by a county board of education, or if the county board of education requests technical assistance, the Superintendent to provide technical assistance, as provided.

This bill would require the Superintendent, for any county office of education for which one or more of specified pupil subgroups meets the certain performance criteria, to provide technical assistance focused on building the county office of education's capacity to develop and implement actions and services responsive to pupil and community needs.

(29) Existing law establishes the California Collaborative for Educational Excellence to advise and assist school districts, county superintendents of schools, and charter schools in achieving their local control and accountability plan goals. Existing law requires the governing board of the collaborative, with the approval of the Department of Finance, to contract with a local educational agency, or consortium of local educational agencies, to serve as the fiscal agent of the collaborative.

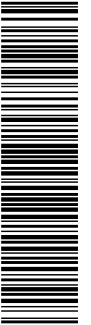
This bill would instead require the State Department of Education, in consultation with the executive director of the State Board of Education and with the approval of the Department of Finance, to contract with a local educational agency, or consortium of local educational agencies, to serve as the administrative agent for the collaborative. The bill would require the governing board of the collaborative to select, and direct the administrative agent to hire, the executive director of the collaborative and provide policy and program direction.

The bill would require, by September 1, 2018, the collaborative and the State Department of Education to establish a process, administered by the department, to select, subject to approval by the executive director of the state board and the Director of Finance, county offices of education to serve as lead agencies to conduct specified activities, including assisting in building the capacity of county offices of education within the lead agency's defined geographic area to provide effective assistance and support to school districts under the state priorities for purposes of a local control and accountability plan. The bill would, commencing with the 2018–19 fiscal year, appropriate \$4,000,000 annually to the department from the General Fund to be awarded to county superintendents of schools serving as lead agencies.

The bill would also authorize the collaborative and the department to establish a process, administered by the department, to select, subject to approval by the executive director of the state board and the Director of Finance, a lead agency based on specific expertise in an area of need to conduct activities and build statewide capacity to address that area of need within the statewide system of support. The bill would make that provision subject to an appropriation in the annual Budget Act.

The bill would also require the collaborative and the department to establish a process, administered by the department, to select, subject to approval by the executive director of the state board in consultation with the Department of Finance, special education local plan areas or consortia of special education local plan areas to serve as special education resource leads to work with the lead agencies and other county offices of education to improve pupil outcomes as part of the statewide system of support.

(30) Existing law requires every school district to submit to the Superintendent of Public Instruction a local plan for the education of all individuals with exceptional needs either on its own, in conjunction with one or more school districts, or with the



county office of education, as specified. Existing law requires the Superintendent to establish guidelines for the development of local plans.

Existing law requires each local plan submitted to the Superintendent to include, among other things, an annual budget plan and an annual service plan. Existing law requires the annual service plan to be adopted at a public hearing held by the special education local plan area, and requires notice of this hearing to be posted in each school district in the special education local plan area at least 15 days before the hearing.

This bill would require, on or before July 1, 2019, the State Department of Education to develop templates that shall be used by school districts and county superintendents of schools to meet the requirements relating to local plans. The bill would require, commencing July 1, 2020, each local plan to include an annual assurances support plan that includes specified elements. The bill would require each local plan submitted to the Superintendent to include the annual assurances support plan. The bill would require the annual assurances support plan to be adopted at a public hearing held by the special education local plan area, and would require notice of this hearing to be posted in each local educational agency in the special education local plan area at least 15 days before the hearing.

The bill would revise the components of the annual budget plan, as provided. The bill would require notice of the hearing for the adoption of the annual service plan to be posted in each local educational agency, including each charter school, in the special education local plan area at least 15 days before the hearing.

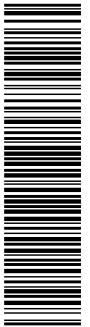
The bill would require each school district, in developing a local plan, to cooperate with the county office of education to assure that the local plan is compatible with the local control and accountability plans adopted for the school district and the county board of education. The bill would require, commencing July 1, 2020, a special education local plan area to review its local plan at least once every 3 years and update as needed to ensure information contained within the plan remains relevant and accurate.

The bill would require the superintendent or other chief administrator of a local educational agency to post on the Internet Web site of the local educational agency any local plan, annual budget plan, annual service plan, and annual assurances support plan upon approval of the special education local plan area, and any updates or revisions to the plans upon approval of the special education local plan area. The bill would require a county superintendent of schools to post any local plan, annual budget plan, annual service plan, and annual assurances support plan upon approval of the county office of education, and all local plans submitted by special education local plan areas in the county, on the Internet Web site of the county office of education.

By adding to the duties of local educational agencies, the bill would impose a state-mandated local program.

(31) Existing law requires a county office of education to approve or disapprove any proposed local plan for the education of all individuals with exceptional needs submitted by a school district or group of school districts in the county within 45 days.

This bill would require a county office of education to submit an approved local plan to the Superintendent of Public Instruction with comments and recommendations and would require the county office of education to return a disapproved local plan with comments and recommendations to the school district. The bill would authorize a school district to immediately appeal to the Superintendent to overrule the county



office of education's disapproval. To the extent this bill would impose additional duties on county offices of education, the bill would impose a state-mandated local program.

(32) Existing law requires each local plan for the education of all individuals with exceptional needs to establish a community advisory committee, as provided. Existing law requires the governing board of a school district to establish a parent advisory committee to provide advice to the governing board of the school district and the superintendent of the school district regarding the requirements relating to local control and accountability plans.

This bill would require the community advisory committee to support community involvement in the parent advisory committee to encourage the inclusion of parents of individuals with exceptional needs to the extent these pupils are also unduplicated pupils for purposes of the local control funding formula.

(33) Existing law provides for the calculation of apportionments to fund the provision of special education instruction and services for pupils who qualify for these programs. Existing law requires each special education local plan area to dedicate a portion of the special education funds it receives for regionalized operations and services and the direct instructional support of program specialists.

This bill would require the Superintendent of Public Instruction to make specified computations for purposes of special education funding.

The bill would require the Superintendent to apportion specified funds for regionalized services and program specialists to the administrative unit of each special education local plan area. The bill would require the Superintendent, commencing with the 2018–19 fiscal year and each fiscal year thereafter, to make specified computations to determine the amount of funding for those purposes. The bill would also require, for the 2018–19 fiscal year and each fiscal year thereafter, the Superintendent to calculate an amount of supplemental funds to be apportioned to necessary small special education local plan areas, as provided.

(34) Existing law requires the Superintendent of Public Instruction, commencing with the 2004–05 fiscal year and each fiscal year thereafter, to make certain calculations for, and the State Department of Education to apportion certain amounts to, special education local plan areas, as provided, with respect to children and youth residing in foster family homes, small family homes, foster family agencies, group homes, skilled nursing facilities, intermediate care facilities, and community care facilities. Existing law requires the department to calculate an out-of-home care funding amount for each special education local plan area, as provided, for each fiscal year. Existing law requires for purposes of the 2017–18 fiscal year out-of-home care funding amount for group homes, foster family homes, small family homes, and foster family agencies, the Superintendent to use the data received from the State Department of Social Services that was used for the funding for the 2016–17 fiscal year.

This bill would require the Superintendent to also use the data received from the State Department of Social Services that was used for the funding for the 2016–17 fiscal year for purposes of the 2018–19 fiscal year out-of-home care funding amount.

(35) Existing law establishes the California Assessment of Student Performance and Progress (CAASPP) for the assessment of certain elementary and secondary pupils, as provided. Existing law provides that the CAASPP includes, among other things, a consortium summative assessment in English language arts and mathematics for grades 3 to 8, inclusive, and grade 11. Existing law makes these provisions and other related



provisions dealing with pupil assessments inoperative on July 1, 2020, and repeals the provisions on January 1, 2021.

This bill would repeal the provision making those provisions inoperative on July 1, 2020, and repealing those provisions on January 1, 2021. To the extent extending the operation of CAASPP and related pupil assessment provisions indefinitely imposes additional duties on local educational agency officials, the bill would impose a state-mandated local program.

(36) Existing law establishes the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as one of the segments of public postsecondary education in this state. Existing law establishes the Strong Workforce Program, to provide funding to career technical education regional consortia made up of community college districts, as specified.

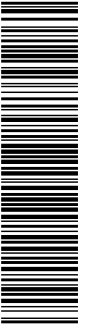
This bill would establish a K-12 component of the Strong Workforce Program. The bill would provide, commencing with the 2018–19 fiscal year, the amount appropriated in the annual Budget Act for the K-12 component of the program to create, support, or expand high-quality career technical education programs at the K-12 level that are aligned with the workforce development efforts occurring through the program. The bill would require the Chancellor of the California Community Colleges’ office to apportion \$200,000,000 to the fiscal agent of each career technical education regional consortia, which the bill would authorize to include local educational agencies, according to specified weighted factors. The bill would require each consortium to administer a competitive grant program pursuant to these provisions, and would require an applicant to consist of specified entities and satisfy specified criteria, including that it provide matching funds for any grant funding received, as provided. The bill would require each consortium to form a K-12 Selection Committee for purposes of selecting grant recipients and would assign specified duties to the committee.

The bill would require, commencing with the 2018–19 fiscal year, the amount appropriated in the annual Budget Act for support of the K-12 Workforce Pathway Coordinators, as defined, and the K-14 Technical Assistance Providers, as defined, to be used to establish a K-12 Workforce Pathway Coordinator within the geographical boundaries of each community college district, except as provided, and would assign to those coordinators specified duties relating to the K-12 component of the program. The bill would also require, commencing with the 2018–19 fiscal year, the amount appropriated in the annual Budget Act for support of the K-12 Workforce Pathway Coordinators and the K-14 Technical Assistance Providers to be used to support the activities of the K-14 Technical Assistance Providers, including, among other things, providing leadership, guidance, and technical assistance to create, support, expand, and improve career technical education opportunities for local educational agencies.

(37) The California Constitution prohibits the total annual appropriations subject to limitation of the state and each local government from exceeding the appropriations limit of the entity of government for the prior year, as adjusted. Existing law defines “proceeds of taxes” for purposes of those limits for school districts and county superintendents of schools.

This bill, for the 2013–14 fiscal year and each fiscal year thereafter, would revise the statutory definition of “proceeds of taxes” for those purposes.

(38) This bill would appropriate \$1,651,357,000 from the General Fund to the Superintendent of Public Instruction for the 2018–19 fiscal year for allocation to school



districts, county offices of education, and charter schools, as specified. The bill would require the funds to first satisfy any outstanding claims for reimbursement of state-mandated local program costs for any fiscal year, but would authorize the governing boards of school districts, county boards of education, and governing bodies of charter schools to expend these one-time funds for any purpose.

(39) Existing law requires the Commission on Teacher Credentialing to, among other duties, establish standards for the issuance and renewal of credentials, certificates, and permits.

This bill would appropriate \$50,000,000 from the General Fund to the commission for the 2018–19 fiscal year to establish the Teacher Residency Grant Program to provide one-time competitive grants to local educational agencies to develop new, or expand existing, teacher residency programs that recruit and support the preparation of special education teachers. The bill would require a grant recipient to provide a 100% match of grant funding, as provided. The bill would require applicants to submit an application to the commission to receive a grant, and would require applicants to demonstrate a need for special education teachers.

The bill would require a candidate in a teacher residency program sponsored by a grant to agree to be placed as a teacher of record in a special education classroom in a school within the local educational agency or consortium of local educational agencies that sponsored the candidate for a period of at least 4 school years, as provided. The bill would require a candidate who fails to earn a preliminary credential or complete the period of the placement to reimburse the sponsoring local educational agency or consortium the amount of grant funding invested in the candidate's residency training.

(40) This bill would appropriate \$50,000,000 from the General Fund to the Commission on Teacher Credentialing for the 2018–19 fiscal year to provide one-time competitive Local Solution Grants to local educational agencies to develop and implement new, or expand existing, locally identified solutions that address a local need for special education teachers. The bill would require a grant recipient to provide a 100% match of grant funding, as provided. The bill would require applicants to submit an application to the commission to receive a grant, and would require the commission to require applicants to demonstrate a need for special education teachers.

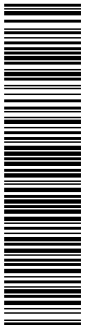
(41) Existing law establishes the California Assessment of Student Performance and Progress (CAASPP) for the assessment of certain elementary and secondary school pupils, as provided.

This bill would exempt certain school districts, upon receipt of a waiver from the United States Department of Education, from the requirement to administer CAASPP during the 2017–18 school year.

The bill would make legislative findings and declarations as to the necessity of a special statute for those school districts.

(42) This bill would appropriate \$300,000 from the General Fund to the Superintendent of Public Instruction for the 2018–19 fiscal year to update the California School Dashboard interface.

(43) Existing law requires, on or before July 1, 2014, the governing boards of school districts and county boards of education to adopt local control and accountability plans using a state template adopted by the State Board of Education. Existing law requires the local control and accountability plan to include, among other things, a description of annual goals for all pupils and specified subgroups of pupils to be



achieved for each state priority, as specified, including, among other state priorities, parental involvement and school climate.

This bill would establish the Community Engagement Initiative, as provided. The bill would require the California Collaborative for Educational Excellence and a lead agency to be selected by the State Department of Education and the collaborative, with approval from the executive director of the State Board of Education, to convene professional learning networks for purposes of improving local pupil outcomes and community engagement, as specified. The bill would require the collaborative, by January 1, 2021, and using funds provided for this purpose in the annual Budget Act, to develop and conduct a statewide training on community engagement based on the findings of the professional learning networks. The bill would require the collaborative and the lead agency, by June 30, 2024, to submit a report to specified entities based on the initiative. The bill would appropriate \$13,274,000 from the General Fund to the Superintendent of Public Instruction for allocation to the collaborative for the initiative.

(44) Existing law requires the Superintendent of Public Instruction to develop and administer tests to assess the English language development of pupils whose primary language is a language other than English, and requires that the tests include, but not be limited to, an assessment of achievement of these pupils in English reading, speaking, and written skills, in accordance with specified criteria.

This bill would appropriate, for the 2018–19 fiscal year, \$27,370,000 from the General Fund to the State Department of Education for the development of a computer-based English Language Proficiency Assessment for California and a computer-based alternative English Language Proficiency Assessment for California for pupils with disabilities, to be available for the 2018–19, 2019–20, 2020–21, and 2021–22 fiscal years.

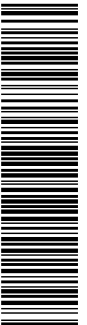
(45) Existing law establishes the Educational Telecommunication Fund, moneys in which are available for expenditure upon appropriation for specified purposes relating to establishing telecommunication standards for state, county, and local educational agencies.

This bill would appropriate, for the 2018–19 fiscal year, \$716,000 from the Educational Telecommunication Fund to the Superintendent of Public Instruction for the Standardized Account Code Structure system replacement project.

(46) This bill would appropriate \$15,000,000 from the General Fund to the Superintendent of Public Instruction for allocation to the Orange County Department of Education. The bill would require the Orange County Department of Education, jointly with the Butte County Office of Education, to contract with a California postsecondary educational institution to expand the state’s Multi-Tiered System of Support framework to foster a positive school climate in both academic and behavioral areas, as provided. To the extent this bill would impose additional duties on the Orange County Department of Education and the Butte County Office of Education, the bill would impose a state-mandated local program.

(47) Existing law provides funding for various career technical education programs, including regional occupational centers and programs.

This bill would appropriate \$3,000,000 from the General Fund to the Superintendent of Public Instruction for allocation to the Southern California Regional Occupational Center for instructional and operating costs for the 2018–19 fiscal year, and would condition the receipt of this money on the Southern California Regional



Occupational Center submitting an updated operational plan to the Department of Finance and the Legislative Analyst.

(48) Existing law establishes a public school financing system that requires state funding for school districts, county superintendents of schools, and charter schools to be calculated pursuant to a local control funding formula, as specified. Existing law requires funding pursuant to the local control funding formula to include, in addition to a base grant, supplemental and concentration grant add-ons that are based on the percentage of pupils who are English learners, foster youth, or eligible for free or reduced-price meals, as specified, served by the school district, county superintendent of schools, or charter school. Existing law provides the amount of the base grant in the 2013–14 fiscal year and requires that amount to be adjusted for inflation in subsequent fiscal years, as specified.

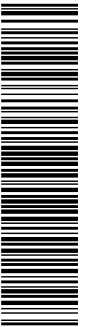
This bill, notwithstanding that specified inflation adjustment, would require the inflation adjustment for the 2018–19 fiscal year to be 3% for the purposes of calculating local control funding formula targets for school districts and charter schools. The bill would also appropriate the amount of the remaining statewide local control funding formula need in the 2018–19 fiscal year, as determined by the Superintendent of Public Instruction by a specified calculation, from the General Fund to the Superintendent and would allocate that amount to local educational agencies, as provided.

(49) The Community Redevelopment Law authorized the establishment of redevelopment agencies in communities to address the effects of blight, as defined. Existing law dissolved redevelopment agencies as of February 1, 2012, and provides for the designation of successor agencies, as defined. Existing law requires successor agencies to wind down the affairs of the dissolved redevelopment agencies. Existing law requires a successor agency to, among other things, continue to make payments due for enforceable obligations, remit unencumbered balances to the county auditor-controller for distribution, and dispose of assets, as directed.

This bill would, on or before June 30, 2019, appropriate an amount to be determined by the Director of Finance from the General Fund to the Superintendent of Public Instruction in augmentation of a certain 2018 budget item. The bill would make these funds available only to the extent that revenues distributed to local educational agencies for special education programs from successor agencies are less than the estimated amount determined by the Director of Finance. The bill would require, on or before June 30, 2019, the Director of Finance to determine if the revenues distributed to local educational agencies for special education programs from successor agencies exceed the estimated amount reflected in the Budget Act of 2018 and, if so, would require the Director of Finance to reduce the specified appropriation in the Budget Act of 2018 by the amount of that excess.

(50) This bill would require, on or before January 30, 2019, an amount to be determined by the Director of Finance to be appropriated from the General Fund to the Superintendent of Public Instruction in augmentation of a certain 2017 budget item for purposes of backfilling special education programs for fire-related property tax reductions to local educational agencies in areas impacted by the wildfires that began in northern California in October 2017 and in southern California in December 2017.

The bill would require each county to submit to the Department of Finance a countywide claim detailing the losses incurred by the local educational agencies located in the county. The bill would require the Department of Finance, upon determining





the claims are accurate and complete, to determine the special education program portion of the property tax reduction and notify the Controller, who the bill would require to provide reimbursement in the amount specified by the Department of Finance.

(51) This bill would require, on or before January 30, 2019, an amount to be determined by the Director of Finance to be appropriated from the General Fund to the Superintendent of Public Instruction to reimburse basic aid school districts for property tax losses incurred in the 2017–18 fiscal year as a result of the 2017 wildfires. The bill would also require, on or before January 30, 2020, an amount to be determined by the Director of Finance to be appropriated from the General Fund to the Superintendent to reimburse basic aid school districts for property tax losses incurred in the 2018–19 fiscal year as a result of the 2017 wildfires.

The bill would require each county to submit to the Department of Finance a countywide claim detailing the losses incurred by the basic aid school districts located in the county. The bill would require the Department of Finance, upon determining the claims are accurate and complete, to notify the Controller, who the bill would require to provide reimbursement in the amount specified by Department of Finance.

(52) This bill would repeal obsolete provisions, make conforming and clarifying changes, correct and update cross-references, and make other nonsubstantive changes.

(53) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

(54) Funds appropriated by this bill would be applied toward the minimum funding requirements for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution.

(55) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

